

Sichuan Expressway Company Limited



(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00107)

2025

ANNUAL REPORT



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DEFINITIONS

In this section, the definitions are presented in alphabetical order (A-Z).

I. NAMES OF EXPRESSWAY PROJECTS

Airport Expressway	Chengdu Airport Expressway
Chengbei Exit Expressway	Chengdu Chengbei Exit Expressway
Chengle Expressway	Sichuan Chengle (Chengdu-Leshan) Expressway
Chengren Expressway	Chengdu-Meishan (Renshou) Section of ChengZiLuChi (Chengdu-Zigong-Luzhou-Chishui) Expressway
Chengya Expressway	Sichuan Chengya (Chengdu-Ya'an) Expressway
Chengyu Expressway	Chengyu (Chengdu-Chongqing) Expressway (Sichuan Section)
Hubei Jingyi Expressway	Jingmen-Yichang Expressway
Second Ring (Western) Expressway	West Section of Chengdu Second Ring Expressway
Suiguang Expressway	Sichuan Suiguang (Suining-Guang'an) Expressway
Suixi Expressway	Sichuan Suixi (Suining-Xichong) Expressway
Tianqiong Expressway	Tianqiong (Chengdu Tianfu New Area-Qionglai) Expressway

DEFINITIONS (CONTINUED)

II. BRANCHES, SUBSIDIARIES AND PRINCIPAL INVESTED COMPANIES

Airport Expressway Company	Chengdu Airport Expressway Company Limited
Chengbei Company	Chengdu Chengbei Exit Expressway Company Limited
Chengle Company	Sichuan Chengle Expressway Company Limited
Chengle Operation Branch	Operation and Management Branch of Sichuan Chengle Expressway Company Limited
Chengqiongya Company	Sichuan Chengqiongya Expressway Company Limited
Chengya Company	Sichuan Chengya Expressway Company Limited
Chengya Oil Company	Sichuan Chengya Expressway Oil Supply Company Limited
Chengyu Advertising Company	Sichuan Chengyu Expressway Advertising Company Limited
Chengyu Development Fund	Sichuan Chengyu Development Equity Investment Fund Centre (Limited Partnership)
Chengyu Logistics Company	Sichuan Chengyu Logistics Company Limited
Chengyu Private Equity Fund Company	Sichuan Chengyu Private Equity Fund Management Co., Ltd.
Chengyu Supply Chain Management Company	Sichuan Chengyu Xingshu Supply Chain Management Company Limited
Chengyu Xinneng Company	Sichuan Chengyu Xinneng Construction Co., Ltd.* (四川成渝新能建設有限公司) (formerly known as “Chengdu Shuhong Property Company Limited” and formerly abbreviated as “Shuhong Company”)
Chengyu Yingchuang Investment	Chengdu Chengyu Yingchuang Equity Investment Partnership (Limited Partnership)
CSI SCE	CSI SCE Investment Holding Limited
Jingyi Expressway Company	Hubei Jingyi Expressway Co., Ltd. (湖北荊宜高速公路有限公司)

DEFINITIONS (CONTINUED)

Lushan Shuhan Company	Lushan County Shuhan Engineering Construction Management Co., Ltd.
Lushan Shunan Company	Lushan County Shunan Engineering Construction Project Management Co., Ltd.
Multimodal United Transportation Company	Sichuan Multimodal United Transportation Investment and Development Co., Ltd.
Operation and Management Branch I	Sichuan Expressway Company Limited Operation and Management Branch I (formerly known as “Sichuan Expressway Company Limited Chengyu Branch” and formerly abbreviated as “Chengyu Branch”)
Operation and Management Branch II	Sichuan Expressway Company Limited Operation and Management Branch II (formerly known as “Sichuan Expressway Company Limited Chengren Branch” and formerly abbreviated as “Chengren Branch”)
Operation and Management Branch III	Sichuan Expressway Company Limited Operation and Management Branch III (formerly known as “Sichuan Expressway Company Limited Chengya Branch” and formerly abbreviated as “Chengya Branch”)
Renshou Shunan Company	Renshou Shunan Investment Management Company Limited
Rongcheng Second Ring Company	Sichuan Rongcheng Second Ring Expressway Development Co., Ltd.
Shudao Chengyu Investment Company	Sichuan Shudao Chengyu Investment Company Limited
Shudao New Energy Company	Sichuan Shudao New Energy Technology Development Co., Ltd.
Shunan Chengxing Company	Ziyang Shunan Chengxing Project Construction & Management Co., Ltd.
Shunan Company	Sichuan Shunan Investment Management Company Limited
Shuxia Company	Sichuan Shuxia Industrial Company Limited
Suiguang-Suixi Company	Sichuan Suiguang-Suixi Expressway Company Limited

DEFINITIONS (CONTINUED)

Xingshu Supply Chain Company	Sichuan Chengyu Xingshu Supply Chain Management Company Limited
Zhonglu Energy Company	Sichuan Zhonglu Energy Company Limited
Zhongxin Company	Sichuan Zhongxin Assets Management Co., Ltd.

III. OTHERS

2025 AGM	the 2025 annual general meeting of the Company to be convened on 22 May 2026 (Friday)
A Share(s)	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are issued in the PRC, subscribed for in RMB and listed on the SSE
Articles of Association	the articles of association of the Company, as amended from time to time
associated corporation(s)	has the meaning ascribed thereto under the SFO
Audit Committee	the audit committee under the Board
Board	the board of Directors of the Company
BOT Project	build-operation-transfer project
BT Project	build-transfer project
Chengdu West Rim Expressway Company	Chengdu West Rim Expressway Company Limited (成都繞城高速公路(西段)有限責任公司)
Chengle Expansion Construction Project Pilot Section	expansion construction project of pilot section (from Qinglongchang to Meishan) of Sichuan Chengle Expressway
Chengle Expressway Capacity Expansion Construction Project	Capacity Expansion Construction Project for Chengdu to Leshan Expressway
Chengya Expressway Expansion Project	the expansion project for the Chengdu-Ya'an section of G5 Jingkun Expressway
China Everbright Bank	China Everbright Bank Company Limited

DEFINITIONS (CONTINUED)

China Huaxi	China Huaxi Enterprise Co., Ltd.* (中國華西企業股份有限公司)
China Merchants Expressway Company	China Merchants Expressway Network and Technology Holdings Co., Ltd., the substantial shareholder of the Company
Chuanshang Fund	Hainan Chuanshang No. 12 Private Fund Center (Limited Partnership)
Company	Sichuan Expressway Company Limited, a joint-stock company incorporated in the PRC, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 00107) and A shares are listed on the SSE (stock code: 601107)
Company Law	Company Law of the People's Republic of China
CSRC	China Securities Regulatory Commission
Director(s)	director(s) of the Company
Dividend Entitlement Date	12 June 2026 (Friday), the date on which the Shareholders whose names appear on the H Shares register of member of the Company shall be entitled to the 2025 final dividend of the Company (if approved by the Shareholders at the 2025 AGM)
ESG	environmental, social and governance
Gaolu Information	Sichuan Gaolu Information Technology Co., Ltd.* (四川高路信息科技有限公司)
Group	the Company and its subsidiaries
H Share(s)	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are issued in Hong Kong, subscribed for in Hong Kong dollars and listed on the Main Board of the Stock Exchange
HK\$	Hong Kong dollar(s), the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hongda	Sichuan Hongda Co., Ltd.

DEFINITIONS (CONTINUED)

Jiaojian Lingzhou Construction	Sichuan Transportation Construction Lingzhou Construction Company Limited* (四川交建陵州建設有限公司)
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange and/or the Rules Governing the Listing of Securities on the SSE (as the case may be)
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules on the Stock Exchange, which has been adopted by the Company as the code of conduct for securities transactions by the Directors and the Supervisors of the Company
NFRA	National Financial Regulatory Administration
Nomination Committee	the nomination committee under the Board
PPP	Public-Private Partnership, a form of cooperation between the government and social capital
PRC or Mainland China	The People's Republic of China, for the purpose of this annual report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, the PRC
Project Company, Chengya Expressway Company	Sichuan Chengya Expressway Co., Ltd.* (四川成雅高速公路有限責任公司)
Remuneration and Appraisal Committee	the remuneration and appraisal committee under the Board
RMB	the lawful currency of the PRC
Road & Bridge International	Road & Bridge International Co., Ltd, a company incorporated in the PRC
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	A Share(s) and/or H Share(s) (as the case may be)
Shareholder(s)	registered holder(s) of the Share(s)

DEFINITIONS (CONTINUED)

Shudao Capital	Shudao Capital Holding Group Co., Ltd. (蜀道資本控股集團有限公司)
Shudao Expressway	Sichuan Shudao Expressway Group Co., Ltd.
Shudao Financial Leasing Company	Shudao Financial Leasing (Shenzhen) Company Limited, (formerly known as “Chengyu Financial Leasing Company Limited” with former abbreviation “Chengyu Financial Leasing Company”)
Shudao Group	Shudao Investment and its subsidiaries (other than the Group)
Shudao Innovation Investment	Shudao (Sichuan) Innovation Investment Development Co., Ltd. (蜀道(四川)創新投資發展有限公司)
Shudao Investment	Shudao Investment Group Co., Ltd., the controlling shareholder of the Company
Sichuan Communication	Sichuan Communications Network Technology Company Limited
Sichuan Expressway Construction and Development	Sichuan Expressway Construction & Development Group Co., Ltd.
SRB Group	Sichuan Road & Bridge (Group) Corporation Ltd.* (四川公路橋樑建設集團有限公司)
SSE	Shanghai Stock Exchange
STIG	Sichuan Transportation Investment Group Corporation Limited
STIG Group	STIG and its subsidiaries
Stock Exchange	The Stock Exchange of Hong Kong Limited
Strategic Committee, Strategy and Sustainable Development Committee	the strategy and sustainable development committee under the Board (formerly known as the strategy committee)
Supervisor(s)	supervisor(s) of the Company

DEFINITIONS (CONTINUED)

Supervisory Committee	supervisory committee of the Company
Tianqiong Expressway BOT Project	the project of Chengdu Tianfu New District to Qionglai Expressway in the form of BOT (build-operate-transfer)
Transportation Construction Group	Sichuan Transportation Construction Group Co., Ltd.* (四川省交通建設集團有限責任公司)
Year or Reporting Period	the 12 months ended 31 December 2025

In this annual report, the English names of the PRC entities are translations of their Chinese names and included herein for identification purposes only. In the event of any inconsistency between the Chinese and English names, the Chinese names shall prevail.

CORPORATE INFORMATION

Statutory Chinese and English Names of the Company	四川成渝高速公路股份有限公司 Sichuan Expressway Company Limited
Legal Representative	Luo Zuyi
Company's Website	http://www.cygs.com
Company's Registered Address and Office Address	No. 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC
Postal Code	610041
Secretary to the Board	Yao Jiancheng
Tel	(86) 28-8552-7109
Company Secretaries	Yao Jiancheng
Representative of Securities Affairs	Qiu Zhu
Tel	(86) 28-8552-7109
Fax	(86) 28-8553-0753
Investors' Hotline	(86) 28-8552-7109
E-mail Address	cygsqz@163.com
Contact Address	No. 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC
Stock Exchanges of the Listing Shares	A Shares: Shanghai Stock Exchange Stock Code: 601107 Stock Name: Sichuan Express H Shares: The Stock Exchange of Hong Kong Limited Stock Code: 00107 Stock Name: Sichuan Express
Newspapers Selected by the Company for Information Disclosure	China Securities Journal, Shanghai Securities News

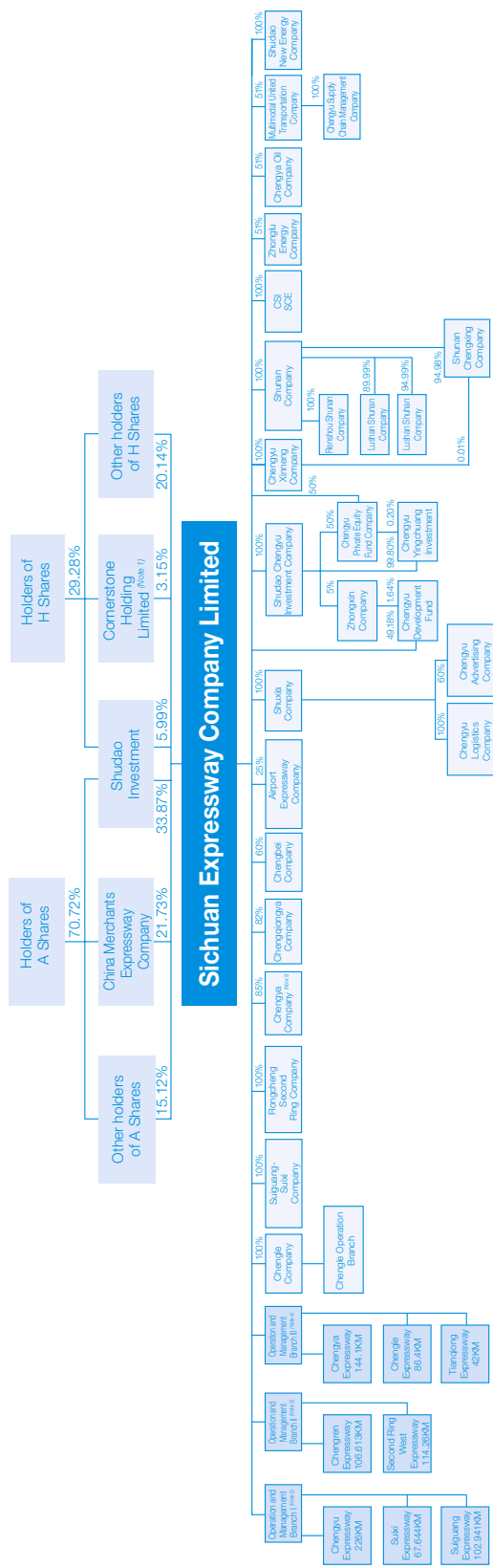
CORPORATE INFORMATION (CONTINUED)

Websites Designated for Publication of the Annual Report of the Company	http://www.sse.com.cn http://www.hkexnews.hk http://www.cygs.com
Place for Inspection of the Annual Report of the Company	PRC: No. 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC Hong Kong: Rooms 2201-2203, 22/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong
International Auditor	PricewaterhouseCoopers 22/F, Prince's Building, Central, Hong Kong
PRC Auditor	ShineWing Certified Public Accountants (Special General Partnership) 8/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing
Hong Kong Legal Adviser	Zhong Lun Law Firm 4/F, Jardine House, No. 1 Connaught Place, Central, Hong Kong
PRC Legal Adviser	Beijing Zhongyin (Chengdu) Law Firm (北京市中銀(成都)律師事務所) 13th Floor, Block B, OCG International Center, No. 158 Tianfu 4th Avenue, GaoXin District, Chengdu, Sichuan Province, the PRC (中國四川省成都市高新區天府四街158號OCG國際中心B座13層)
Domestic Shares Registrar and Transfer Office	Shanghai Branch of China Securities Depository and Clearing Corporation Limited No. 188 South Yanggao Road, Pudong New Area, Shanghai, the PRC
Hong Kong Shares Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Principal Place of Business in Hong Kong	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Unified Social Credit Code	9151000020189926XW
Principal Banker	China Construction Bank

COMPANY PROFILE

The Company was incorporated in the Industry and Commerce Bureau of Sichuan Province of the PRC on 19 August 1997. The Company was listed on the Stock Exchange (stock code: 001107) on 7 October 1997 and on the SSE (stock code: 601107) on 27 July 2009, respectively. The Group is principally engaged in the investment, construction, operation and management of certain expressway projects in the province, green energy investment business and integrated development of resources along the routes. Currently, the Group mainly owns all or substantially all interests in a number of expressways in Sichuan Province such as Chengyu Expressway, Chengya Expressway, Chengle Expressway, Chengren Expressway, Suiguang Expressway, Suixi Expressway, Second Ring (Western) Expressway and Tianqiong Expressway. As of 31 December 2025, the expressways mileage of the Group has reached approximately 914.6km in total (including the total toll mileage of approximately 848 km and the length of Tianqiong Expressway of approximately 42.1km, which have not yet been commenced toll collection), the length of newly opened toll-free section in expansion of Chengle Expressway was 24.5km. The Group's total asset and net asset were approximately RMB663,810,274 thousand and RMB21,248,479 thousand, respectively.

As at 31 December 2025, the total number of share capital of the Company is 3,058,060,000 Shares (including 895,320,000 H Shares and 2,162,740,000 A Shares), the Shareholders and asset structure of the Company are as follows:



- Notes:
- (1) Cornerstone Holding Limited, a wholly-owned subsidiary of China Merchants Expressway Company, was interested in the H shares of the Company. By virtue of the SFO, China Merchants Expressway Company is therefore deemed to be interested in such H Shares held by Cornerstone Holding Limited.
 - (2) On 24 October 2024, Chengyu Branch was renamed as Operation and Management Branch I. Operation and Management Branch I is responsible for the investment, construction and operation management of the Chengyu Expressway, Suiguang Expressway, Suixi Expressway and their ancillary facilities.

COMPANY PROFILE (CONTINUED)

- (3) On 10 March 2025, Chengren Branch was renamed as Operation and Management Branch II. Operation and Management Branch II is responsible for the investment, construction and operation management of Chengren Expressway, Second Ring (Western) Expressway and their ancillary facilities.
- (4) On 20 March 2025, Chengya Branch was renamed as Operation and Management Branch III. Operation and Management Branch III is responsible for the investment, construction and operation management of Chengya Expressway, Chengle Expressway, Tianqiong Expressway and their ancillary facilities.
- (5) On 13 August 2025, the Company, together with China Huaxi Enterprise Co., Ltd.* ("China Huaxi"), Sichuan Transportation Construction Group Co., Ltd.* ("Transportation Construction Group"), Sichuan Road & Bridge (Group) Corporation Ltd.* ("SRB Group") and Sichuan Gaolu Information Technology Co., Ltd.* ("Gaolu Information"), jointly funded the establishment of Sichuan Chengya Expressway Co., Ltd. ("Chengya Company", in which the Company holds 85% of the equity shares and exercises control), which is responsible for the construction, operation, management, transfer and other work of the Chengya Expressway expansion project.



CHAIRMAN'S STATEMENT

I would like to report on behalf of the Board to the Shareholders. The year 2025 marked the final year of the "14th Five-Year Plan" and also a pivotal year for laying the groundwork for the development under the "15th Five-Year Plan". In the face of a complex and evolving domestic and international economic landscape and industrial environment, the Group adhered to the principle of pursuing progress while maintaining stability, focused on its core functions, and enhanced its core competitiveness. Solid progress was made on the path toward high-quality development, and the strategic objectives set under the "14th Five-Year Plan" were successfully achieved.

RESULTS AND DIVIDENDS

In 2025, the Group's profit attributable to the owners of the Company was approximately RMB1,515,006,000, representing a year-on-year increase of approximately 4.52%. Basic earnings per share were approximately RMB0.466 (2024: approximately RMB0.474). In accordance with the provisions in the Articles of Association, if the Company distributes cash dividend, the sum of such cash dividend shall not be less than 30% of the profit available for distribution to the Shareholders recorded by the Company for the period concerned (the lower of the profit available for distribution to the Shareholders under PRC accounting standards and that under foreign accounting standards). To reward and thank the Shareholders for their continued support to the Group, the Board has recommended a final cash dividend for the year 2025 of RMB0.297 per share (tax inclusive), aggregating to approximately RMB908,244 thousand, representing 65.38% of the profit available for distribution to the Shareholders recorded by the Company for the year in accordance with the PRC accounting standards and 60.02% of the profit attributable to the owners of the Company (calculated under the PRC accounting standards) as shown in the consolidated financial statements of the Company. The proposed dividend is subject to approval at the forthcoming 2025 AGM.

REVIEW

The national economy continued to advance under pressure, demonstrating sustained resilience in development. In 2025, amid profound and complex changes in the domestic and international environment, the State remained steadfast in implementing the new development philosophy and promoting high-quality development, while coordinating both domestic and international priorities. As a result, the major targets and tasks for economic and social development throughout the year were successfully accomplished, marking the successful conclusion of the "14th Five-Year Plan". For the year, gross domestic product (GDP) reached RMB140.19 trillion, representing a year-on-year increase of 5.0% at constant prices. The value added of the services sector amounted to RMB80.89 trillion, representing a year-on-year increase of 5.4%¹. Domestic demand potential continued to be unleashed, and new quality productive forces accelerated their formation. During the year, Sichuan Province made all-out efforts to drive economic growth and development, steadily advancing high-quality development. Economic performance remained stable with positive momentum, people's livelihoods continued to improve, and overall social stability was maintained, with the major targets and tasks for the year largely accomplished. The province recorded a regional GDP of RMB6.77 trillion, representing a growth rate of 5.5%, ranking fifth nationwide in both total economic output and growth rate².

¹ Source: Website of the National Bureau of Statistics

² Source: Website of the People's Government of Sichuan Province

CHAIRMAN'S STATEMENT (CONTINUED)

Achieving steady progress in transportation, with continuous expansion of the road network. In 2025, focusing on accelerating the building of a strong transportation country, the transportation industry successfully accomplished its annual tasks through dedicated efforts and by overcoming challenges. Key development indicators maintained steady growth, the safety production situation continued to improve, and the institutional mechanism for building a strong transportation country was further enhanced. Fixed asset investment in transportation reached approximately RMB3.6 trillion nationwide, with over 2,000 kilometers of high-speed railways and approximately 8,000 kilometers of expressways newly added³. Investment in Sichuan Province's highway and waterway construction hit a new high, with 900 kilometers of expressways completed and 1,000 kilometers commenced, setting a new record for the decade. The province's comprehensive transportation channels into and out of Sichuan increased to 54, marking a new leap from "rough roads in Sichuan" to "accessible roads in Sichuan" and further to "smooth roads in Sichuan"⁴. The high-quality integrated development of the Chengdu-Chongqing Economic Circle continued to deepen, further enhancing regional economic vitality and providing solid support for the Company's core business operations.

In 2025, the Company continued to consolidate the scale of its core business, consistently enhanced its lean management capabilities, steadily achieved the preservation and appreciation of state-owned assets and consistently delivered Shareholder returns, and fully demonstrated its corporate social responsibility, making positive contributions to the national and local economic development and transportation protection. As at the end of 2025, the Company maintained highest AAA ratings for both entities and bonds, and was rated as one of the top 100 enterprises and top 100 service enterprises in Sichuan Province for six consecutive years.

Consolidating advantages and expanding core businesses. As at the date of this report, the traffic mileage of the Company's expressways has now exceeded 900 kilometers. Leveraging its road assets to broaden development space, the Company, as the lead of a consortium, successfully won the tender for the Chengya Expressway Expansion Project, enhancing the efficiency of transportation channels. The successful acquisition of Jingyi Expressway Company marked a key step in cross-provincial development, injecting new momentum into the Company's sustainable growth. Adopting an innovative approach to improve operation and maintenance, the Company deployed drones for operations such as road condition inspections and emergency response, thereby improving inspection efficiency and emergency handling capabilities. By advancing digital transformation and developing a "Smart Cloud Warehouse" equipped with self-service card-issuing robots, the Company significantly improved road traffic efficiency and service standards.

³ Source: Website of the Ministry of Transport of the People's Republic of China

⁴ Source: Website of Sichuan Provincial Department of Transportation

CHAIRMAN'S STATEMENT (CONTINUED)

Expanding growth drivers with improvement in quality and efficiency across related diversified industries. Adhering to a results-oriented approach, the Company enhanced its market-oriented operational capabilities, fostering positive interactions and coordinated development centered on its main responsibilities and core businesses. The economies of scale in the battery charging and swapping business were realized, solidifying its position as the leading green energy supplier for the province's expressway network. The "Shudao Changchong (蜀道暢充)" platform connected over 10,000 charging guns, with electricity consumption exceeding 100 million kWh. Throughout the year, it provided over 5.6 million charging services, representing a year-on-year increase of 61.58%. Support services during major holidays achieved "zero material failures and zero material complaints," earning coverage from mainstream media such as CNR Media and high praise from the Ministry of Transport. New consumption scenarios were created, setting a benchmark for service area transformation and upgrades. Innovative initiatives like the "customized wake-up call" service were reported by multiple media outlets, including "China Service Area." The Tianfu Open Service Area became the first expressway service area in Sichuan Province to offer tax refunds for overseas tourists and was selected as a national typical case for "Excellent Service Areas".

Consolidating value with capital market performance reaching new heights. The Company continuously strengthened its corporate value foundation, promoting coordinated efforts in value creation, value communication, and value realization. Share prices in both Shanghai and Hong Kong hit their highest levels in nearly a decade, representing an increase of over 20% and 60% respectively for the end of the year compared to the beginning of the year, ranking among the top of the industry in terms of growth rate in both markets⁵. Shareholder returns were continuously enhanced, with an annual dividend payout ratio reaching 60.79% in 2024. The dividend yields for both A Shares and H Shares exceeded 5%, at a leading level in the industry, fully demonstrating the responsibility and long-term investment value of a state-owned listed enterprise. Its influence in the capital market leaped forward, winning eight significant capital market awards throughout the year from China Fund, such as "A-share Value Demonstration Case Award" and from the China Association for Public Companies and others. The Company's intrinsic value and market value formed a positive interaction, achieving synergistic enhancement.

⁵ The Share price is calculated on a forward-adjusted basis

CHAIRMAN'S STATEMENT (CONTINUED)

Deepening reforms with iterative upgrades in corporate governance system. The reform to abolish the Supervisory Committee was completed, further strengthening the supervisory functions of the Audit Committee under the Board. The management structure was continuously optimized, significantly streamlining management staffing. A comprehensive restructuring was implemented across the Company's headquarters, road-operating enterprises, non-road-operating enterprises, and internal institutions, resulting in a leaner, more efficient, agile, and coordinated management system. A robust incentive toolkit was established and refined to enhance talent efficiency. Focusing on core functions and key tasks, a differentiated assessment scheme was formulated based on the principles of "one policy per industry" and "one policy per enterprise," effectively stimulating vitality at the grassroots level.

Strengthening management and control and continuously improving risk management effectiveness. The Company strictly controlled risks, tapped into potential, and accelerated the transformation of management capabilities into governance advantages and development momentum. The systematic governance of safety and environmental protection was further deepened. By organizing special inspections on potential safety hazards, the Company effectively curbed the frequent occurrence of accidents, and promoted the transformation of risk management from "post-event disposal and passive response" to "pre-event prevention and proactive control". A closed-loop management system was established featuring the working mechanisms of "review and improvement, supervision with listed tasks, and one-vote veto" for safe production, thereby improving the level of safety governance. The supporting role of finance was prominent. By comprehensively utilizing diversified financing tools, the Company expanded the financing scale while achieving a new low in financing costs. The gearing ratio dropped to 66.65% as at the end of the Reporting Period, representing a decline of the gearing ratio for three consecutive years, and the capital structure was continuously optimized.

CHAIRMAN'S STATEMENT (CONTINUED)

OUTLOOK AND STRATEGY

The year 2026 marks the commencement of the “15th Five-Year Plan” and is a crucial year for the Company to accelerate its “second entrepreneurial venture”. Based on the new development stage, the Company will strengthen strategic leadership and value creation, continue to deepen reforms, optimize operations, and strengthen industries, further enhancing the Company’s overall profit-generating capacity and development level, ensuring a strong and steady start to the “15th Five-Year Plan” period.

In terms of macroeconomic environment, the impact of changes in the external environment is deepening, geopolitical risks are rising, the global economy is showing weak momentum, and multilateralism and free trade are facing serious challenges. The domestic economy still faces old problems and new challenges amidst its development and transformation. However, the supporting conditions and underlying trends supporting the long-term positive outlook of China’s economy remain unchanged, and its institutional and major-country advantages continue to manifest. In 2026, China will fully, accurately and comprehensively implement the new development philosophy, accelerate the construction of a new development pattern, and strive to promote high-quality development. Adhering to the general principle of pursuing progress while ensuring stability, the State will coordinate both domestic and international imperatives, better balance development and security, implement more proactive and impactful macro policies, enhance the forward-looking, targeted and synergistic nature of policies, continuously expand domestic demand and optimize supply, improve the quality of increments and revitalize the stock, develop new quality productive forces according to local conditions, deeply advance the construction of a unified national market, continue to prevent and mitigate risks in key areas, and focus on stabilizing employment, stabilizing enterprises, stabilizing the market and stabilizing expectations. These efforts aim to promote effective qualitative improvement and reasonable quantitative growth of the economy, maintain social harmony and stability, and achieve a good start to the “15th Five-Year Plan”.

CHAIRMAN'S STATEMENT (CONTINUED)

In terms of regional economic development, Sichuan Province will fully, accurately, and comprehensively implement the new development philosophy, accelerate the establishment of a new pattern of development, and adhere to the general principle of pursuing progress while ensuring stability. The province will spare no effort in promoting economic growth and construction, unwaveringly advance high-quality development, enhance the development level of the Chengdu-Chongqing Economic Circle, and thoroughly implement the development strategy of “coordinated advancement of new industrialization, informationization, urbanization, and agricultural modernization; urban-rural integration; and shared prosperity among the five regions”. It will seize opportunities while serving the broader national strategy, take the initiative by recognizing and responding to changes, and remain proactive while upholding the bottom line. By steadfastly expanding domestic demand, optimizing supply, improving increment, revitalizing existing assets, and developing new quality productive forces according to local conditions, Sichuan will focus on stabilizing employment, enterprises, markets, and expectations. This will promote simultaneous growth in economic quantity and quality, sustained improvement in people's livelihoods, and social harmony and stability, ensuring a good start to the “15th Five-Year Plan” and striving to write a new chapter in Chinese modernization in Sichuan.

In terms of industry development prospects, the transportation sector will adhere to the principles of pursuing progress while ensuring stability and enhancing quality and efficiency. It will actively promote steady investment, maintain stable growth in key indicators such as passenger and freight volumes, and ensure safety and stability. Efforts will be made to achieve breakthroughs in improving the infrastructure network, reducing overall societal logistics costs, and fostering new quality productive forces.

In terms of corporate development, in 2026, the Company will focus on enhancing core business capabilities, advancing the integrated layout of transportation and energy, expanding road-related economy, empowering through capital operations, preventing safety risks, etc.. The Company will coordinate efforts across all initiatives to strengthen overall profit-generating capacity and sustainable development momentum, with emphasis on the following aspects:

CHAIRMAN'S STATEMENT (CONTINUED)

Firstly, consolidating the industrial foundation to achieve a new leap in main business capabilities.

Adhering to the principles of investing, constructing, and maintaining high-quality roads, the Company will continuously strengthen the main business advantages. Multiple measures will be adopted to expand revenue sources and plug leakage points, stabilizing the “ballast stone” of profits. The Company will deeply tap the potential of existing assets to strengthen and expand the core business of the road property sector. Efforts will be made to strengthen operational scheduling to ensure the smooth progress of key projects such as the Chengde Expansion Construction Project and Chengya Expressway Expansion Project.

Secondly, delving into the green track to build a new layout for transportation-energy integration. The Company will leverage road network resources to build a “comprehensive energy network”, achieving integrated development and mutual benefit of various energy sources, and creating a new benchmark for highway energy replenishment. It will continuously expand the scale of LNG and charging/swapping stations, optimize the interconnection of “Shudao Changchong+”, and achieve synergistic efficiency between traditional energy consolidation and orderly replacement with green energy.

Thirdly, activating scene-driven momentum to explore new value in the road-derived economy. Highlighting scene-led strategies, the Company will implement “one zone, one policy” upgrades for service areas, build a multi-format consumption experience integrating shopping, rest, and dining, improve operating efficiency per unit area, promote the integration of on-road and off-road resources, and achieve a value leap from ensuring smooth traffic to enhancing travel experiences.

Fourthly, focusing on capital operation to open up new avenues for scale growth. The Company will leverage the advantages of a listed company to increase asset scale through diversified means such as equity acquisition, reconstruction and expansion, and fund investment. It will accelerate post-investment integration of Jingyi Expressway Company, actively follow up on reconstruction and expansion projects of existing road assets; strengthen financial support, coordinate the use of various financing tools, and optimize the capital structure; maintain the highest AAA credit rating, and continuously enhance the Company's value transmission and realization capabilities in the capital market.

Fifthly, strictly guarding the bottom line of risks to build a new shield for safety and stability. The Company will consistently implement the main responsibility for safety, coordinate development and safety, and deepen the practice of guaranteeing safety through technological means to promote benign interaction between reform, development, and environmental protection. It will strengthen compliance management to consolidate the foundation, and implement precise supervision to prevent and control operational risks, ensuring lawful and compliant operations, controllable risks, and fully establishing the image of a robust and valuable listed benchmark enterprise.

CHAIRMAN'S STATEMENT (CONTINUED)

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude to all investors, clients, business partners and the public for their support and trust, and extend my sincere appreciation to all Directors, management and staff who have contributed their wisdom and hard work over the past year.

Luo Zuyi
Chairman

Chengdu, Sichuan Province, the PRC
30 March 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW AND ANALYSIS

(I) Results overview

The Group is principally engaged in the investment, construction, operation and management of certain expressway projects in the province, green energy investment business and integrated development of resources along the routes. In 2025, in the face of a complex and severe situation of intensifying external pressure and increasing internal difficulties, the national economy remained generally stable with steady progress, achieving new progress in high-quality development. Confronted with multiple adverse factors arising from insufficient domestic demand, the Group intensified efforts to advance project construction, enhance management capabilities and reduce costs and increase efficiency, striving to create development outcomes and achieving growth across various economic indicators.

The net revenue of the Group amounted to approximately RMB8,573,129,000 this year, representing a year-on-year decrease of approximately 16.34%. In particular, the expressway segment achieved net revenue of approximately RMB4,685,565,000, representing a year-on-year decrease of approximately 1.92%; the new energy technology segment achieved net revenue of approximately RMB98,707,000, representing a year-on-year decrease of approximately 13.46%; the transportation services segment achieved net revenue of approximately RMB1,931,749,000, representing a year-on-year decrease of approximately 14.77%; the transportation logistics segment achieved net revenue of approximately RMB11,585,000, representing a year-on-year decrease of approximately 95.92%; the construction services segment achieved net revenue of approximately RMB1,845,523,000, representing a year-on-year decrease of approximately 34.23%. The profit attributable to the owners of the Company was approximately RMB1,515,006,000, representing a year-on-year increase of 4.52%. Basic earnings per share were approximately RMB0.466 (2024: approximately RMB0.474). As at 31 December 2025, the Group's total assets amounted to approximately RMB63,810,274,000 and net assets amounted to approximately RMB21,248,479,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

During the Reporting Period, the revenue and profit of the major subsidiaries are as follows:

	Revenue for 2025 <i>(RMB '000)</i>	Year-on-year increase/ (decrease) in revenue for 2025 <i>(%)</i>	Profit/(loss) for 2025 <i>(RMB '000)</i>	Year-on-year increase/ (decrease) in profit/(loss) for 2025 <i>(%)</i>
Operation and Management Branch I <i>(Notes 1, 2)</i>	867,556	1.53	405,161	22.39
Operation and Management Branch II <i>(Notes 1, 3)</i>	811,198	(6.05)	350,972	(7.10)
Operation and Management Branch III <i>(Notes 1, 4)</i>	1,040,401	(0.99)	603,386	12.85
Chengle Company <i>(Note 5)</i>	613,196	(2.09)	338,778	(6.66)
Chengbei Company <i>(Note 6)</i>	79,992	(22.56)	46,806	(2.52)
Suiguang-Suixi Company <i>(Note 7)</i>	469,254	6.31	(128,476)	(43.75)
Rongcheng Second Ring Company <i>(Note 8)</i>	817,464	(2.38)	194,624	1,079.68
Shunan Company <i>(Note 9)</i>	14	(99.78)	(50,048)	75.42
Renshou Shunan Company <i>(Note 10)</i>	–	N/A	15,124	(10.55)
Shunan Chengxing Company <i>(Note 11)</i>	–	(100.00)	36,996	341.11
Lushan Shuhan Company <i>(Note 12)</i>	46,753	(43.83)	(17,885)	90.27
Lushan Shunan Company <i>(Note 13)</i>	6,324	(70.26)	113	(89.38)
Chengyu Xinneng Company <i>(Note 14)</i>	27,353	(33.85)	(3,999)	(669.66)
Shuxia Company <i>(Note 15)</i>	113,218	(5.10)	13,057	(56.18)
Chengyu Advertising Company <i>(Note 16)</i>	4,124	(22.29)	793	40.11
Chengyu Logistics Company <i>(Note 17)</i>	6,533	N/A	(3,921)	(81.83)
Intermodal Transportation Company <i>(Note 18)</i>	10,720	(80.05)	(5,447)	(122.34)
Chengyu Supply Chain Management Company <i>(Note 19)</i>	1,287	(99.54)	(72,396)	3,899.78
Shudao Chengyu Investment Company <i>(Note 20)</i>	–	N/A	(11,478)	(3,351.56)
Chengya Oil Company <i>(Note 21)</i>	773,102	(6.52)	47,223	(15.86)
Zhonglu Energy Company <i>(Note 22)</i>	1,056,556	(16.04)	57,977	(10.71)
Shudao New Energy Company <i>(Note 23)</i>	100,544	(14.30)	10,020	(547.52)
Chengyu Private Equity Fund Management Company <i>(Note 24)</i>	142	202.13	(2,132)	8.44
CSI SCE <i>(Note 25)</i>	–	N/A	19,218	(338.35)
Chengyu Yingchuang Company <i>(Note 26)</i>	–	N/A	(153)	378.13

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Note 1:* When calculating the profits of Operation and Management Branch I, Operation and Management Branch II and Operation and Management Branch III, the impact of income tax (15%) was taken into account.
- Note 2:* Operation and Management Branch I recorded an increase of RMB13,036,000 or 1.53% in the toll income for the year as compared with that of last year, and recorded an increase of RMB74,119,000 or 22.39% in the profit for the year as compared with that of last year, mainly due to the increase in toll income as a result of the year-on-year increase in truck traffic, and the decrease in operating costs as a result of rational cost control by the Company, which in aggregate resulted in an increase in the profit.
- Note 3:* Operation and Management Branch II recorded a decrease of RMB52,271,000 or 6.05% in the toll income for the year as compared with that of last year, and recorded a decrease of RMB26,827,000 or 7.10% in the profit for the year as compared with that of last year, mainly due to the decrease in toll income as a result of the diversion of traffic from several neighbouring road networks, which in aggregate resulted in the decrease in the profit.
- Note 4:* Operation and Management Branch III recorded a decrease of RMB10,380,000 or 0.99% in the toll income for the year as compared with that of last year, and recorded an increase of RMB68,684,000 or 12.85% in the profit for the year as compared with that of last year, mainly due to the decrease in operating costs as a result of rational cost control by the Company, which in aggregate resulted in an increase in the profit.
- Note 5:* Chengle Expressway recorded a decrease of RMB13,078,000 or 2.09% in the toll income for the year as compared with that of last year, and recorded a decrease of RMB24,162,000 or 6.66% in the profit for the year as compared with that of last year, mainly due to the decrease in toll income as a result of the diversion of traffic from several neighbouring road networks, which in aggregate resulted in a decrease in profit.
- Note 6:* Chengbei Expressway recorded a decrease of RMB23,305,000 or 22.56% in the toll income for the year as compared with that of last year, and recorded a decrease of RMB1,211,000 or 2.52% in the profit for the year as compared with that of last year, which was mainly due to cessation of toll collection arising from the fact that toll collection period of Chengbei Exit Expressway expired on 17 September 2025, leading to a decrease in the profit for the year.
- Note 7:* Suiguang-Suixi Expressway recorded an increase of RMB27,858,000 or 6.31% in the toll income for the year as compared with that of last year, and recorded a decrease of RMB99,942,000 or 43.75% in the loss for the year as compared with that of last year, mainly due to the decrease in financing costs as a result of the reduction of the principal amount of the borrowings and the interest-rate cut, as well as the decrease in operating costs as a result of rational cost control by the Company, which in aggregate resulted in the decrease of loss in respect of the profit for the year.
- Note 8:* Rongcheng Second Ring Company recorded a decrease of RMB19,933,000 or 2.38% in the toll income for the year as compared with that of last year, mainly due to the decrease in traffic volume as compared with that of last year as a result of the impact of the economic environment and the decline in production capacity of related companies, resulting in the decrease in income; at the same time, the decrease in finance costs due to the reduction in the principal amount of borrowings and the decrease in interest rates benefited from the current year, which offset part of the adverse effect brought about by the decline in revenue, and the Company's overall profitability increased by RMB178,126,000 or 1,079.68%, as compared with that of the previous year.
- Note 9:* Shunan Company recorded a decrease of RMB6,221,000 or 99.78% in the income for the year as compared with that of last year, and recorded an increase of RMB21,518,000 or 75.42% in the loss for the year as compared with that of last year, mainly due to the decrease in the project income for the year as compared with that of last year and the increase in expense arising from the requirements of projects, which in aggregate resulted in the decrease in the profit for the year.
- Note 10:* Renshou Shunan Company recorded a decrease of RMB1,784,000 or 10.55% in the profit for the year as compared with that of last year, mainly due to the decrease in interest income as a result of the increase in payment collection of BT Project and the decrease in the interest-bearing base (unrecovered principal).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Note 11:* Shunan Chengxing Company recorded a decrease of RMB8,525,000 or 100.00% in the income for the year as compared with that of last year, and recorded an increase of RMB28,609,000 or 341.11% in the profit for the year as compared with that of last year, mainly due to provision of impairment loss for the corresponding period of last year.
- Note 12:* Lushan Shuhan Company recorded a decrease of RMB36,487,000 or 43.83% in the income for the year as compared with that of last year, and recorded an increase of RMB8,485,000 or 90.27% in the loss for the year as compared with that of last year, mainly due to the decrease in the income from the output value as a result of the decrease in the output value of the projects as compared with that of last year.
- Note 13:* Lushan Shunan Company recorded a decrease of RMB14,942,000 or 70.26% in the income for the year as compared with that of last year, and recorded a decrease of RMB951,000 or 89.38% in the profit for the year as compared with that of last year, mainly due to the decrease in the income from the output value as a result of the decrease in the output value of the projects as compared with that of last year.
- Note 14:* Chengyu Xinneng Company recorded a decrease of RMB13,997,000 or 33.85% in the income for the year as compared with that of last year, and recorded a decrease of RMB4,701,000 or 669.66% in the profit for the year as compared with that of last year, mainly due to the decrease in revenue from measurement of construction services for the year.
- Note 15:* Shuxia Company recorded a decrease of RMB6,088,000 or 5.10% in the income for the year as compared with that of last year, and recorded a decrease of RMB16,738,000 or 56.18% in the profit for the year as compared with that of last year, mainly due to the decrease in trade operations and a shift in the company's focus back to its core business in the service sector.
- Note 16:* Chengyu Advertising Company recorded a decrease of RMB1,183,000 or 22.29% in the income for the year as compared with that of last year, and recorded a decrease of RMB531,000 or 40.11% in the profit for the year as compared with that of last year, mainly due to the decrease in revenue from advertising business as a result of the year-on-year decline in the rate of advertising media release and the release price as affected by the economic downturn, which in aggregate resulted in the decrease in the profit.
- Note 17:* Chengyu Logistics Company recorded an increase of RMB6,533,000 in the revenue for the year as compared with that of last year, and recorded a decrease of RMB17,662,000 or 81.83% in the loss for the year as compared with that of last year, mainly due to the expenditure adjustments of prior period's expenses based on the status of the project for the last year.
- Note 18:* Intermodal Transportation Company recorded a decrease of RMB43,003,000 or 80.05% in the income for the year as compared with that of last year and turned from profit into loss for the year, mainly due to the collection of payments in advance for the Qianwei sand and gravel project and part of the performance bond for the corresponding period of last year, and the reversal of impairment losses provided for in the previous year.
- Note 19:* Chengyu Supply Chain Management Company recorded a decrease of RMB279,173,000 or 99.54% in the income for the year as compared with that of last year, mainly due to the decline in sales volume of the North-South Grain Transportation Project as affected by the economic downturn; and recorded an increase of RMB70,586,000 or 3,899.78% in the loss for the year as compared with that of last year, mainly due to the provision of impairment losses for the year.
- Note 20:* Shudao Chengyu Investment Company recorded a decrease of RMB11,831,000 or 3,351.56% in the profit for the year as compared with that of last year, mainly due to the deappreciation in the fair value appraisal of Chuanshang Fund it held.
- Note 21:* Chengya Oil Company recorded a decrease of RMB53,941,000 or 6.52% in the income for the year as compared with that of last year, and recorded a decrease of RMB8,901,000 or 15.86% in the profit for the year as compared with that of last year, mainly due to the decrease in retail sales volume of refined oil.
- Note 22:* Zhonglu Energy Company recorded a decrease of RMB201,892,000 or 16.04% in the income for the year as compared with that of last year, and recorded a decrease of RMB6,951,000 or 10.71% in the profit for the year as compared with that of last year, mainly due to the decrease in the direct sales of oil products.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Note 23: Shudao New Energy Company recorded a decrease of RMB16,780,000 or 14.30% in the income for the year as compared with that of last year, mainly due to the decrease in the sales revenue of charging module for the year, and turned into profit from loss for the year, mainly due to the increase in revenue and gross profit from charging services.

Note 24: Chengyu Private Equity Fund Management Company recorded an increase of RMB95,000 or 202.13% in the income for the year as compared with that of last year, and recorded an increase of RMB166,000 or 8.44% in the loss for the year as compared with that of last year, mainly due to the increase in the fund management fee income for the year.

Note 25: CSI SCE turned into profit from loss for the year, mainly due to the recognition of a loss of RMB8,380,000 as a result of passive dilution of equity interests due to the non-participation in the capital increase of Shudao Financial Leasing Company for the last year.

Note 26: Chengyu Yingchuang Company recorded an increase of RMB121,000 or 378.13% in the loss for the year as compared with that of last year, mainly due to the increase in the fund management fee.

(II) Operation conditions of the expressways segment of the Group

During the Reporting Period, the operation conditions of the expressways under the Group were as follows:

Item	Shareholding percentage (%)	Average daily traffic flow (vehicles)			Toll income (RMB '000)		
		2025	2024	Increase/ (decrease) (%)	2025	2024	Increase/ (decrease) (%)
Chengyu Expressway	100	21,724	20,593	5.49	867,557	854,520	1.53
Chengya Expressway	100	38,389	38,476	(0.23)	1,040,401	1,050,781	(0.99)
Chengren Expressway	100	32,355	32,878	(1.59)	811,198	863,469	(6.05)
Chengle Expressway	100	40,376	39,725	1.64	613,196	626,274	(2.09)
Chengbei Exit Expressway (including Qinglongchang Bridge) ^{Note}	60	50,612	46,821	8.10	79,992	103,297	(22.56)
Suiguang Expressway	100	11,146	10,927	2.00	279,764	269,605	3.77
Suixi Expressway	100	10,421	9,387	11.02	189,490	171,791	10.30
Second Ring (Western) Expressway	100	26,406	26,639	(0.87)	803,967	837,398	(3.99)

Note: Pursuant to the announcement on the expiry of the toll collection period of Chengdu Chengbei Exit Expressway published by the Company on the website of the SSE on 5 September 2025, the toll collection period of Chengbei Exit Expressway expired on 17 September 2025. In accordance with the notification from the Department of Transport of Sichuan Province, from 24:00 on 17 September 2025, Chengbei Exit Expressway ceased toll collection, and all vehicles were exempted from vehicle tolls on this section. The traffic volume data represents the average daily traffic during the toll collection period.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

In 2025, the toll income of the Group was approximately RMB4,685,565,000, representing a decrease of approximately 1.92% as compared with last year. The percentage of the toll income to the Group's revenue was approximately 54.65%, representing an increase of approximately 8.03% when compared with 46.62% last year. During the Reporting Period, the following factors constituted combined effects on the operating performance of the Group's business of expressways:

1. Economic factors

In 2025, the national economy forged ahead despite pressures, progressing towards innovation and higher quality. New achievements were made in high-quality development, with the main societal and economic development goals and tasks successfully accomplished, marking a successful conclusion of the "14th Five-Year Plan". China's gross domestic product for 2025 was RMB140,187.9 billion, representing a year-on-year increase of 5.0% at constant prices and the value added of transportation, warehousing and postal services amounted to RMB6,209.2 billion, representing an increase of 5.2%⁵ as compared with last year. With the earnest implementation of the development strategy of "Four Modernizations, Urban-Rural Integration, Co-prosperity in Five Areas", Sichuan Province spared no effort to develop economy and construction. The provincial economy has maintained steady progress, with stable growth in production and supply, continuous improvement in the economic structure, accelerated release of new growth drivers, and new achievements in high-quality development. In 2025, Sichuan Province's regional GDP amounted to RMB6,766.5 billion, representing an increase of 5.5%⁶ as compared to last year at comparable prices.

⁵ Source: the National Bureau of Statistics of China

⁶ Source: the Sichuan Provincial Bureau of Statistics

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

2. Policy factors

According to the Notice on Printing and Implementing the Work Plan of the Green Channel Policy for Fresh Agricultural Products Exported by Four Ministries (Chuan Jiao Han [2023] No. 233)《關於印發貫徹落實國家四部委鮮活農產品運輸“綠色通道”政策工作方案的通知》(川交函[2023]233號)) issued by the Department of Transportation of Sichuan Province, and the overall deployment of the Notice on Further Improving the Service Level of the Green Channel Policy for Fresh Agricultural Products Transportation (Jiao Ban Gong Lu [2022] No. 78) 《關於進一步提升鮮活農產品運輸“綠色通道”政策服務水平的通知》(交辦公路[2022]78號)) issued by the General Office of the Ministry of Transportation and other four ministries, since 1 June 2023, the national unified Catalogue of Fresh Agricultural Products 《鮮活農產品品種目錄》 will be strictly implemented, and the export inspection standards of vehicles in compliance with the “green channel” policy will be standardized. Refrigerated trucks that do not meet the inspection standards will not enjoy the “green channel” policy.

On 31 March 2023, the Ministry of Transport, the National Railway Administration, the Civil Aviation Administration of China, the State Post Bureau, and China State Railway Group Co., Ltd. jointly issued the Five-year Action Plan for Accelerating the Building of a Nation with Strong Transportation (2023-2027)《加快建設交通強國五年行動計劃(2023-2027年)》 (“**Action Plan**”). The Action Plan puts forward the action objectives and tasks for the next five years to accelerate the construction of a nation with strong transportation, insists on the basis of continuous improvement in the implementation of the “Two Outlines” and the “14th Five-Year Plan” series of transportation plans, and plans to promote the work of transportation in the “15th Five-Year Plan” period. The Action Plan aims to build a modernized comprehensive transport system that is safe, convenient, efficient, green and economical, and to achieve effective improvement in the quality and reasonable growth in the quantity of transport. The action objectives set in the Action Plan are that by 2027, the acceleration of the construction of a nation with strong transportation will have achieved phased results, new breakthroughs will have been made in the high-quality development of transportation, the construction of the “Four Excellence” will have achieved remarkable results, and significant progress will have been made in the construction of a modernized comprehensive transportation system. The construction of the “National 123 Travel Circle” and the “Global 123 Logistics Circle” will be accelerated, effectively serving and guaranteeing the opening of the construction of a modern socialist country in an all-round way.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

According to the Notice of the General Office of the People's Government of Sichuan Province on Several Policy Measures for Continuously Consolidating and Enhancing the Good Momentum of Economic Recovery (Chuanban Gui [2024] No. 2) 《四川省人民政府辦公廳印發〈關於持續鞏固和增強經濟回升向好態勢若干政策措施〉的通知》(川辦規[2024]2號)), from 1 April 2024 to 31 December 2024, the toll discount for non-new energy trucks equipped with ETC on provincial highways would be increased from 5% to 6%, and the toll discount at night (23:00 to 6:00 the next day) would be increased from 6% to 8%; the toll discount for new energy trucks equipped with ETC on provincial highways would be increased from 5% to 20%, and the toll discount for container transport vehicles of international standard equipped with ETC on provincial highways would be increased from 30% to 60%. According to the Notice of the General Office of the Sichuan Provincial People's Government on Printing and Distributing the Several Policy Measures on Promoting a Sustained Economic Upturn (Chuanban Gui [2024] No.3)《四川省人民政府辦公廳印發〈關於推動經濟持續回升向好的若干政策措施〉的通知》(川辦規[2024] 3號)), the above preferential policies have been extended to 31 December 2025.

According to the Notice of the Sichuan Provincial Transportation Comprehensive Law Enforcement Team on Issuing the Implementation Rules for Preferential Policies on Sichuan Provincial Expressway Tolls for Hydrogen Energy Vehicles (Chuanjiao Zongzhi [2024] No. 137)《四川省交通運輸綜合行政執法總隊關於印發〈氫能車輛四川省高速公路通行費優惠政策實施細則〉的通知》(川交綜執[2024]137號)), starting from 6 November 2024, hydrogen energy vehicles equipped with and using ETC devices, and which have successfully registered with the Sichuan ETC public account, will be exempt from vehicle tolls when travelling on expressways within Sichuan Province.

3. *Factors in road network changes and road construction*

Peripheral competitive or synergistic road network changes and road refurbishment brought varying degrees of positive or negative impacts on the Group's expressways. During the Reporting Period, some of the Group's expressways were affected to varying degrees by these factors:

Chengyu Expressway: Due to the expansion of rail transit and the increased frequency of high-speed rail services around Chengyu Expressway, passenger vehicle flow experienced a certain degree of decline, while truck flow registered a year-on-year increase.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Chengren Expressway: Due to the opening of surrounding roads and the diversion of traffic to high-speed rail and expressways, traffic flows of the Chengren Expressway decreased slightly.

Second Ring (Western) Expressway: Impacted by the macroeconomic situation, freight and coach traffic flows declined.

Suiguang Expressway and Suixi Expressway: Due to the upgrading, renovation, and closure for construction of multiple parallel roads in the vicinity this year, the Suiguang Expressway and Suixi Expressway undertook the transfer and redistribution of regional traffic flows, resulting in an increase in both traffic flows and toll revenue on the Suiguang Expressway and Suixi Expressway.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

(III) Major investment and financing projects of the Group

(1) *Chengle Expressway Expansion Construction Project*

The proposal in respect of investment in the expansion construction of Chengle Expressway and relevant matters was considered and approved at the extraordinary general meeting of the Company held on 30 October 2017. According to the opinion on approval of the project from the Ministry of Transport, the total mileage of the project was 130 kilometers, and the estimated total investment was approximately RMB22.16 billion. According to the Reply on Adjustment to the Approval of the Chengdu to Leshan Expressway Expansion Construction Project issued by the Sichuan Provincial Development and Reform Commission (Chuan Fa Gai Ji Chu [2022] No. 298) 《關於調整成都至樂山高速公路擴容建設項目核准事項的批覆》(川發改基礎[2022]298號)), the adjusted total mileage of the project was 136.1 kilometers and the estimated total investment was RMB25.15 billion. After the completion of the project, it will help ease the traffic pressure on Chengle Expressway, and improve the overall traffic capacity and service level of Chengle Expressway. On 27 November 2019, the established tasks for the Chengle Expansion Construction Project Pilot Section (Meishan – Qinglong) were completed and the pilot section was opened to two-way traffic. On 18 December 2019, the new Qinglong Toll Station of Chengle Expressway officially opened to traffic. On 2 August 2021, in order to standardize the approval procedures of PPP projects' inclusion and reclassification in the database, Chengdu Transportation Bureau entered into the Investment Agreement for the Expansion Construction Project of Chengdu-Leshan Expressway and the Public-Private-Partnership (PPP) Project Contract for the Expansion Construction Project of Chengdu-Leshan Expressway with Chengle Company. On 27 January 2022, Meishan to Leshan section totalling 81 kilometers achieved two-way eight-lane traffic. On 11 May 2023, Leshan urban area transit double-track section of Chengle Expressway Expansion Project was opened to traffic. On 31 December 2025, Second Ring to Wenshan Section of Chengle Expressway Expansion Project was opened to traffic. From the commencement date of construction to 31 December 2025, an accumulated investment of approximately RMB15.525 billion had been invested in the Chengle Expansion Project.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

(2) *Tianqiong Expressway BOT Project*

On 30 October 2019, the resolution in relation to the investment in the project of Chengdu Tianfu New Area to Qionglai Expressway was considered and approved by the Board. The consortium established by the Company and Road & Bridge International Co., Ltd. participated in bidding for the project of Tianfu New Area to Qionglai Expressway and won the tender. The total length of the project is approximately 42 kilometers with an estimated total investment amount of approximately RMB8,685 million. On 13 September 2024, the whole line of Tianqiong Expressway was officially opened to traffic.

On 4 March 2020, Sichuan Chengqiongya Expressway Company Limited⁷ was incorporated in Qionglai of Sichuan Province as a project company to take charge of the investment, construction and operation of Tianqiong Expressway, with a registered capital of RMB1,737 million, of which the Company contributed RMB1,424.34 million. From the commencement date of construction to 31 December 2025, an accumulated investment of approximately RMB7,144 million had been invested in the Tianqiong Project.

(3) *Chengya Expressway Expansion Project*

On 13 August 2025, the resolutions in relation to the investment in the Chengya Expressway Expansion Project and related transactions were considered and approved by the general meeting of the Company. The Company, together with China Huashi, Transportation Construction Group, Road & Bridge Group and Gaolu IT, formed a consortium to win the bid for the Chengdu-Ya'an section of G5 Jingkun Expressway. The Chengya Expressway Expansion Project covers a total length of 159.115 kilometers, and the estimated total investment is approximately RMB28.548 billion (subject to the amount approved by the competent administrative authorities of the PRC government).

On 13 August 2025, Sichuan Chengya Expressway Company Limited, the project company, was established with a registered capital of RMB100 million. From the commencement date to 31 December 2025, the accumulated investment in the Chengya Expansion Project was approximately RMB170 million.

⁷ Based on the financial data for the year ended 31 December 2025, Sichuan Chengqiongya Expressway Company Limited is a significant subsidiary of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

II. FINANCIAL REVIEW AND ANALYSIS

(I) Analysis of Operating Results and Financial Position

Summary of the Group's Operating Results

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue	8,573,129	10,247,400
Including: Net expressway segment revenue	4,685,565	4,777,135
Net new energy technology segment revenue	98,707	114,056
Net transportation services segment revenue	1,931,749	2,266,635
Net transportation logistics segment revenue	11,585	283,740
Net construction services segment revenue	1,845,523	2,805,834
Net others segment revenue	–	–
Profit before tax	1,903,050	1,870,434
Profit attributable to owners of the Company	1,515,006	1,449,447
Earnings per share attributable to owners of the Company (RMB)	0.466	0.474

Summary of the Group's Financial Position

	31 December 2025 RMB'000	31 December 2024 RMB'000
Total assets	63,810,274	61,032,031
Total liabilities	42,561,795	41,536,405
Non-controlling interests	1,097,022	1,091,456
Equity attributable to owners of the Company	20,151,457	18,404,170
Equity per share attributable to owners of the Company (RMB)	6.590	6.018

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

(II) Analysis of Operating Results

Revenue

The Group's net revenue for the year amounted to RMB8,573,129,000, representing a year-on-year decrease of 16.34%, of which:

- (1) The net expressway segment revenue was RMB4,685,565,000, representing a decrease of 1.92% as compared with that of last year. During this year, the Group's toll income as a whole decreased slightly. Of which: (a) the toll income of Chengyu Expressway increased by RMB13,037,000 or 1.53% as compared with that of last year; (b) the toll income of Chengya Expressway decreased by RMB10,380,000 or 0.99% as compared with that of last year; (c) the toll income of Chengren Expressway decreased by RMB52,271,000 or 6.05% as compared with that of last year; (d) the toll income of Chengle Expressway decreased by RMB13,078,000 or 2.09% as compared with that of last year; (e) the toll income of Chengbei Exit Expressway decreased by RMB23,305,000 or 22.56% as compared with that of last year; (f) the toll income of Suiguang Expressway increased by RMB10,159,000 or 3.77% as compared with that of last year; (g) the toll income of Suixi Expressway increased by RMB17,699,000 or 10.30% as compared with that of last year; (h) the toll income of the Second Ring (Western) Expressway decreased by RMB33,431,000 or 3.99% as compared with that of last year. Please refer to "Operation conditions of the expressways segment of the Group" in this announcement for details of the main factors affecting the toll income of the Group during the Reporting Period;
- (2) The net new energy technology segment revenue was RMB98,707,000 (2024: RMB114,056,000), representing a decrease of 13.46% as compared with that of last year, mainly due to the decrease in sales revenue from charging modules;
- (3) The net transportation service segment revenue was RMB1,931,749,000 (2024: RMB2,266,635,000), representing a decrease of 14.77% as compared with that of last year, which was mainly due to the decrease in retail sales volume of refined oil for the year;
- (4) The net transportation logistics segment revenue was RMB11,585,000 (2024: RMB283,740,000), representing a decrease of 95.92% as compared with that of last year, which was mainly due to the decline in sales volume of the North-South Grain Transportation Project as affected by the economic downturn;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (5) The net construction services segment revenue was RMB1,845,523,000 (2024: RMB2,805,834,000), representing a decrease of 34.23% as compared with that of last year, which was mainly due to the fact that: (1) the construction contract revenue in respect of service concession arrangements was RMB1,798,002,000, representing a decrease of 33.50% as compared with that of last year, which was primarily the construction contract revenue from the project for expansion construction of Chengle Expressway, Tianqiong Expressway BOT Project and the project for expansion construction of Chengya Expressway recognized under the input method; (2) construction contract revenue in respect of construction works performed for third parties amounted to RMB47,521,000, representing a decrease of 53.63% as compared with that of last year, which was mainly due to construction services revenue from Long Bao Da PPP Project in Lushan County and the Tourism Highway Project in Dachuan River Scenic Spot in Lushan County recognized under the input method.

Other Income and Gains

The Group's other income and gains for the year amounted to RMB205,522,000, representing a decrease of RMB33,409,000 or 13.98%, mainly due to: first, the reasonable reduction in the size of monetary funds in the current year resulted in a decrease in interest income on deposits for the year; second, the decrease in interest income on BT Projects recognised in the current year; and third, the change in fair value of financial assets measured at fair value through profit or loss.

Operating Expenses

The Group's operating expenses for the year amounted to RMB6,318,186,000 (2024: RMB7,800,424,000), representing a decrease of 19.00% as compared with that of last year, of which:

- (1) During the year, construction contract cost recognized under the input method in respect of service concession arrangements was RMB1,798,002,000 (2024: RMB2,703,361,000), representing a decrease of 33.49% as compared with that of last year. This mainly included construction costs recognized for Chengle Expressway Expansion Construction Project, Tianqiong Expressway BOT Project and Chengya Expressway Expansion Construction Project;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (2) During the year, construction contract costs recognized under the input method in respect of construction works amounted to RMB43,490,000 (2024: RMB90,906,000), representing a decrease of 52.16% as compared with that of last year, which was mainly attributable to the Long Bao Da PPP Project in Lushan County and the Tourism Highway Project in Dachuan River Scenic Spot in Lushan County recognized under the input method;
- (3) Depreciation and amortisation expenses for the year were RMB1,294,747,000 (2024: RMB1,272,885,000), representing an increase of 1.72% as compared with that of last year, mainly attributable to the increase in the amortisation amount of expressway concessions as compared with the same period last year;
- (4) The cost of sales of oil and other business for the year was RMB1,605,559,000 (2024: RMB2,171,165,000), representing a decrease of 26.05% as compared with that of last year, mainly due to the decrease in cost of sales related to the curtailment of the Company's trade business as a result of the overall economic environment;
- (5) Repair and maintenance costs for the year were RMB341,303,000 (2024: RMB304,843,000), representing an increase of 11.96% as compared with that of last year, mainly due to the daily maintenance costs of the ancillary facilities of all expressways owned by the Group;
- (6) Impairment included in trade receivables and other receivables for the year amounted to RMB52,734,000 (2024: RMB17,560,000), representing an increase of 200.31% as compared with that of last year, mainly due to the provision of impairment losses on trade receivables by Multimodal United Transportation Company during the year;
- (7) Charging services costs included were RMB23,162,000 (2024: RMB12,966,000) for the year, representing an increase of 78.64% as compared with that of last year, mainly due to the increase in electricity costs for new energy vehicle charging piles;

Finance Costs

The Group's finance costs for the year amounted to RMB1,103,501,000 (including: expensed interest expenses of RMB599,516,000), representing a decrease of 21.44% as compared with RMB1,404,608,000 (including: expensed interest expenses of RMB851,932,000) for the last year. The decrease in finance costs during the year was mainly due to the significant results achieved in optimizing the Company's existing debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Income Tax

The income tax expense of the Group for the year amounted to RMB355,437,000, representing an increase of approximately 7.41% as compared with RMB330,909,000 for that of 2024, mainly due to the change in profit.

Profit

The Group's profit for the year amounted to RMB1,547,613,000, representing an increase of 0.53% as compared with RMB1,539,525,000 for that of last year, of which the profit attributable to owners of the Company was RMB1,515,006,000, representing an increase of 4.52% as compared with RMB1,449,447,000 for that of last year. This was mainly due to:

- (1) The profit of the expressways segment for the year was approximately RMB2,134,420,000 (2024: RMB2,038,436,000), representing an increase of 4.71% as compared with that of last year, which was mainly due to the reduction in financing cost, and the year-on-year decrease of amortization amount as the franchise right of Chengbei Exit Expressway was fully amortized on 30 June 2024, the original toll expiry date;
- (2) The profit of the new energy technology segment for the year was approximately RMB39,760,000 (2024: RMB30,225,000), representing an increase of 31.55% as compared with that of last year, mainly due to the increase in revenue and gross profit from charging services;
- (3) The profit of the transportation services segment for the year was approximately RMB152,649,000 (2024: RMB198,379,000), representing a decrease of 23.05% as compared with that of last year, which was mainly due to the increase in purchase costs of refined oil for the period;
- (4) The profit of the transportation logistics segment for the year was approximately RMB3,127,000 (2024: RMB8,979,000), representing a decrease of 65.17% as compared with that of last year, which was mainly due to the Company's provision for impairment losses for the year in light of business risks;
- (5) The profit of the construction services segment for the year was approximately RMB41,018,000 (2024: RMB64,348,000), representing a decrease of 36.26% as compared with that of last year, mainly due to the decrease in income arising from BT and PPP Projects;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (6) The profit of the others segment for the year was approximately RMB31,542,000 (2024: RMB37,688,000), representing a decrease of 16.31% as compared with that of last year, mainly due to the depreciation in the appraisal of the funds held by Shudao Chengyu Investment Company in the year.

(III) Analysis of Financial Position

Non-current Assets

As at 31 December 2025, the Group's non-current assets amounted to RMB58,081,527,000, representing an increase of RMB1,173,453,000 as compared with the end of 2024, mainly attributable to:

- (1) An increase of RMB1,201,596,000 in service concession arrangements as compared with the end of 2024 which included an increase of approximately RMB2,301,987,000 mainly from Chengle Expressway Expansion Construction Project, Tianqiong Expressway BOT Project and Chengya Expressway Expansion Construction Project, and the provision for amortization of service concession arrangements of approximately RMB1,100,391,000;
- (2) A decrease of RMB53,834,000 in right-of-use assets as compared with the end of 2024, mainly due to the provision for depreciation of approximately RMB54,140,000 and addition of right-of-use assets of approximately RMB306,000 for the year;
- (3) Property, plant and equipment increased by RMB124,574,000 as compared with the end of 2024, mainly due to the addition of property, plant and equipment of approximately RMB269,912,000 and provision for depreciation of approximately RMB140,216,000, as well as disposal of property, plant and equipment of approximately RMB5,122,000;
- (4) An increase of RMB15,697,000 in investment in associates and joint ventures as compared with the end of 2024, mainly due to (1) the increase in carrying value with the total investment income of RMB42,101,000 recognised this year; (2) the total decrease in carrying value of RMB26,404,000 with the cash dividend declared by associates;
- (5) An increase of RMB5,812,000 in equity investments at fair value through other comprehensive income as compared with the end of 2024, mainly due to the fund investment in China Merchants REITs and the changes in fair value of equity investments in China Everbright Bank Co., Ltd.;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (6) A decrease of approximately RMB126,127,000 in non-current portion of trade receivables and other receivables as compared with the end of 2024, mainly due to the reclassification of the non-current portion of trade receivables and other receivables to the current portion of trade receivables and other receivables during the year.

Current Assets and Current Liabilities

As at 31 December 2025, the current assets of the Group amounted to RMB5,728,747,000, representing an increase of 38.91% as compared with the end of 2024, mainly attributable to:

- (1) An increase of RMB1,416,607,000 in the balance of cash and cash equivalents as compared with the end of 2024, mainly due to the increase in cash inflow as a result of issuance of new perpetual bonds and operational cash flow during the year;
- (2) Current portion of trade receivables and other receivables increased by RMB181,582,000 as compared with the end of 2024, mainly due to the reclassification of the non-current portion of trade receivables and other receivables to the current portion of trade receivables and other receivables during the year.

As at 31 December 2025, the Group's current liabilities amounted to RMB3,821,840,000, representing a decrease of 29.54% as compared with the end of 2024, mainly attributable to a decrease of RMB379,427,000 in trade and other payables; and a decrease of RMB1,206,371,000 in current portion of bank and other interest-bearing borrowings for the year.

Non-current Liabilities

As at 31 December 2025, the non-current liabilities of the Group amounted to RMB38,739,955,000, representing an increase of 7.28% as compared with the end of 2024, mainly attributable to a decrease of RMB8,909,000 in deferred income, an increase of RMB3,991,000 in deferred tax liabilities, an increase of RMB2,632,223,000 in non-current portion of bank and other interest-bearing borrowings as compared with those of the end of last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Equity

As at 31 December 2025, the Group's equity amounted to RMB21,248,479,000, representing an increase of 8.99% as compared with the end of 2024, mainly attributable to: (1) profit of RMB1,547,613,000 for the year, which increased the equity; (2) an increase in equity of RMB7,517,000 due to the adjustment to the fair value of financial assets as a result of presenting changes in other comprehensive income; (3) an increase of RMB1,200,000,000 in equity due to the issuance of perpetual equity instruments; (4) capital injection from minority shareholders amounting to RMB40,740,000, which increased the equity; (5) payment of dividends of RMB68,801,000 to non-controlling Shareholders, which decreased the equity; and (6) the final dividend of 2024 declared during the year amounting to RMB886,838,000, which decreased the equity.

Capital Structure

As at 31 December 2025, the Group had total assets of RMB63,810,274,000 and total liabilities of RMB42,561,795,000. The gearing ratio, which was calculated as the Group's total liabilities divided by its total assets, was 66.70% (31 December 2024: 68.06%).

Cash Flow

As at 31 December 2025, the cash and cash equivalents of the Group amounted to RMB4,373,863,000, representing an increase of approximately RMB1,416,607,000 as compared with the end of 2024. It comprised approximately HKD6,000 (equivalent to approximately RMB6,000) of deposits in HK\$, and RMB4,373,856,000 cash and deposit in RMB.

During the year, net cash inflow from operating activities of the Group amounted to RMB1,133,228,000 (2024: net cash inflow of RMB987,951,000), representing an increase of RMB145,277,000 in net cash inflow as compared with that of last year, mainly due to the fact that: the decrease in financing costs resulted in a reduction of RMB252,416,000 in cash outflows for the year as compared with that of last year; the new service concession arrangements resulted in a decrease of RMB905,359,000 in cash outflow for the year as compared with that of last year; the decrease in non-current payments in advance resulted in decrease of RMB207,045,000 in net cash outflow for the year as compared with that of last year; the increase in trade receivables and other receivables resulted in a decrease of RMB231,774,000 in net cash inflow for the year as compared with that of last year; the decrease in inventories resulted in a decrease of RMB80,865,000 in the cash outflow for the year as compared with that of last year; the decrease in trade payables and other payables resulted in an increase of RMB439,660,000 in cash outflow for the year as compared with that of last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Net cash outflow used in investing activities of the Group amounted to RMB237,000,000 (2024: net outflow of RMB172,856,000), representing an increase of RMB64,144,000 in net cash outflow as compared with that of last year, mainly due to: a decrease of RMB58,732,000 in cash outflow for the purchase of property, plant and equipment as compared with that of last year; a decrease of RMB27,501,000 in cash inflow from interest received as compared with that of last year; a decrease of RMB199,622,000 in cash outflows from the purchase of equity investments at fair value through other comprehensive income; an increase of RMB21,326,000 in cash inflows from the recovery of principal on financial assets measured at fair value through other comprehensive income; an increase of RMB321,525,000 in cash outflow for the year as compared with that of last year as a result of the increase in term deposits with banks for the year.

Net cash inflow used in financing activities was RMB520,379,000 (2024: net inflow of RMB414,356,000), representing an increase in net cash inflow of RMB106,023,000 as compared with that of last year, mainly due to: an increase of RMB497,832,000 in cash inflow from the increase in new bank loans, perpetual equity instruments and corporate bonds as compared with that of last year; an increase of RMB418,949,000 in cash outflow from repayment of bank loans, medium-term notes and other loans and payment of lease principal as compared with that of last year; an increase of RMB149,362,000 in cash outflow from dividend paid to the owners of the Company compared with that of last year; an increase of RMB15,006,000 in cash outflow from dividend paid to non-controlling Shareholders as compared with that of last year; a decrease of RMB293,331,000 in cash outflow from interest paid compared with that of last year.

Exchange Fluctuations Risk

Save that the Company needs to purchase HK\$ to distribute dividends to H Shareholders, the operating income and expenses as well as the capital expenditures of the Group are mainly settled in RMB and thus the fluctuations in exchange rate do not have material impact on the Group's results.

In addition, the Group had not used any financial instrument for hedging purposes in the Reporting Period.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Borrowings and Solvency

As at 31 December 2025, the Group's bank and other interest-bearing borrowings amounted to RMB39,851,577,000. The balance of bank loans was RMB37,547,778,000, with annual interest rates ranging from 1.63% to 3.15%; the balance of other borrowings amounted to RMB50,323,000; the balance of lease liabilities amounted to RMB91,690,000; the balance of medium-term notes amounted to RMB100,000,000, with a coupon interest rate of 2.07% per annum; the balance of corporate bonds amounted to RMB2,000,000,000, with a coupon interest rate of 2.30% per annum; and interest payable of RMB61,786,000. The relevant balances are set out as follows:

Bank and Other Interest-Bearing Loans

	Total	Within	1 year to	Over
	<i>RMB'000</i>	<i>1 year</i>	<i>5 years</i>	<i>5 years</i>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans	37,547,778	1,148,429	10,081,679	26,317,670
Other borrowings and lease liabilities	142,013	73,932	61,451	6,630
Medium-term notes	100,000	100,000	–	–
Corporate bonds	2,000,000	–	2,000,000	–
Interest payable	61,786	61,786	–	–
Total (as at 31 December 2025)	39,851,577	1,384,147	12,143,130	26,324,300
Total (as at 31 December 2024)	38,425,725	2,590,518	12,999,923	22,835,284

With the Group's steady cash flow, solid capital structure and sound credit records, the Group has established and maintained favorable credit relations with financial institutions and enjoyed most preferential interest rates for its loans. The Group has acquired limited available bank facilities of RMB34,878 million from financial institutions available for use in the following one to two years. In addition, in 2010, China CITIC Bank Corporation Limited (Chengdu Branch) as lead bank and other eight banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB4,890 million. Such loan is specially used for construction of Chengren Expressway BOT Project. In 2019, China CITIC Bank Corporation Limited (Chengdu Branch) transferred the entire loan balance under the Syndicated Contract to China Construction Bank Corporation (Sichuan Branch), and China Construction Bank Corporation (Sichuan Branch) became the lead bank in 2020. As at 31 December 2025, the balance of the syndicated loan for the project amounted to RMB735 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

In 2013, China Development Bank (Sichuan Branch) as lead bank and other four banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB4,950 million. Such loan is specially used for construction of Suiguang Expressway BOT Project. As at 31 December 2025, the balance of the syndicated loan for the project amounted to RMB3,522 million; in 2013, China Development Bank (Sichuan Branch) as lead bank and other two banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB3,380 million. Such loan was specially used in Suixi Expressway BOT Project. As at 31 December 2025, the balance of the syndicated loan for the project amounted to RMB2,167 million.

In 2019, China Construction Bank Corporation (Sichuan Branch) and China Development Bank (Sichuan Branch) as lead banks and other five banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB10,400 million. Such loan is specially used for construction of Chengle Expressway Expansion Construction Project. As at 31 December 2025, the balance of the syndicated loan for the project amounted to RMB5,915 million; in 2021, China Construction Bank Corporation (Sichuan Branch) and China Development Bank (Sichuan Branch) as lead banks and other three banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB6,920 million. As at 31 December 2025, the balance of the syndicated loan for the project amounted to RMB1,843 million. The above two loans are specially used for construction of Chengle Expressway Expansion Construction Project.

In 2020, China Construction Bank Corporation (Sichuan Branch) and China Merchants Bank Company Limited (Chengdu Branch) as lead banks and other five banks carrying on businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB6,948 million. Such loan is specially used for construction of Tianqiong Expressway BOT Project. As at 31 December 2025, the balance of the syndicated loan for the project amounted to RMB5,821 million.

In 2020, China Development Bank (Sichuan Branch) as lead bank formed a bank consortium with other six banks carrying out businesses in the PRC, which signed a loan contract with the Company for a medium – and long-term loan of RMB9,809 million. Such loan is specially used for the financing rearrangement for the Second Ring (Western) Expressway loan. As at 31 December 2025, the balance of the syndicated loan for the project amounted to RMB9,052 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Pledge of Assets

As at 31 December 2025, the concession right of the Group to collect toll pertaining to Chengle Expressway with net carrying value of RMB15,820,668,000 (31 December 2024: RMB13,964,775,000) was pledged to secure the syndicated loan amounting to RMB7,757,820,000 (31 December 2024: RMB7,569,720,000); the concession right to collect toll pertaining to Chengren Expressway with net carrying value of RMB5,465,808,000 (31 December 2024: RMB5,696,918,000) was pledged to secure the syndicated loan amounting to RMB734,958,000 (31 December 2024: RMB1,008,307,000); the concession right to collect toll pertaining to Suiguang-Suixi Expressway with net carrying value of RMB10,683,124,000 (31 December 2024: RMB10,891,294,000) was pledged to secure the syndicated loan amounting to RMB5,689,000,000 (31 December 2024: RMB5,810,000,000); the concession right to collect toll pertaining to Tianqiong Expressway with net carrying value of RMB7,144,218,000 (31 December 2024: RMB6,891,267,000) was pledged to secure the bank loans amounting to RMB5,821,290,000 (31 December 2024: RMB5,476,498,000); the concession right to collect toll pertaining to the Second Ring (Western) Expressway with net carrying value of RMB12,727,602,000 (31 December 2024: RMB12,946,141,000) was pledged to secure the bank loans amounting to RMB9,051,500,000 (31 December 2024: RMB9,074,000,000).

Save as disclosed above, the Group did not have any other contingent liabilities, pledge of assets or guarantees as at 31 December 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

III. BUSINESS DEVELOPMENT PLAN

Based on analysis and review of its work and operations during the Reporting Period, and taking into account its forecast and judgement of future economic situation, policy environment and developments of the industry and our business in 2026, the Company has formulated the following work plan in light of the circumstances with a focus on the basic development ideas of "15th Five-Year" plan and business objectives for the year of 2026:

(I) Deepen core expressway business and achieve dual improvement in quality and efficiency

With the goal of "enhancing quality and multiplying efficiency," we are advancing lean management in the expressway core business. Firstly, we refine operational management by leveraging technology to reduce costs, increase efficiency, and ensure safety and smooth traffic, thereby improving the travel service experience. Secondly, we strengthen project construction by fully advancing key projects such as the Chengde Expansion Construction Project and Chengya Expansion Construction Project, ensuring both quality and schedule, and optimizing full-cycle investment returns. Thirdly, we expand high-quality assets by actively acquiring and integrating high-potential internal and external road assets, and proactively participating in the preparation of new projects to continuously optimize the road network structure and revenue performance.

(II) Developing integrated energy to foster new engines of green growth

Leveraging resources along the road network, the Company will accelerate the development of integrated energy businesses encompassing oil, gas, electricity, hydrogen, photovoltaics, and energy storage. The Company will promote the large-scale deployment of EV charging and swapping facilities, photovoltaic systems, and energy storage infrastructure along the expressway and explore cutting-edge business models to enable the efficient utilization of green energy. Committed to establishing a model for transportation-energy integration, the Company aims to provide robust support for its green transformation and strive to increase this sector's contribution to its profitability.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

(III) Upgrading road-related services to build a new platform for value reinvention

The Company will promote the transformation of service areas from transportation nodes to commercial hubs. Efforts will be made to advance the “one area, one feature” renovation initiative by introducing high-quality business formats and developing themed service area brands with province-wide influence, thereby achieving steady growth in non-fuel revenue. The Company will innovate the “service area +” business model by integrating functions such as culture, tourism, and logistics to establish a diversified ecosystem. Concurrently, the Company will strengthen the comprehensive utilization of idle land resources along the expressway to expand value-added services, realizing traffic monetization and maximizing asset value.

(IV) Strengthening capital operations to empower industrial synergy and diversified expansion

The Company will leverage its function as a listed company's capital platform to foster virtuous interaction between industry and finance. Internally, the Company will integrate high-quality road assets to consolidate its asset base and optimize its capital structure. Externally, focusing on strategic directions such as new energy, the digital economy, the low-altitude economy, and artificial intelligence, the Company will precisely incubate or invest in high-quality projects synergistic with its core business through vehicles such as industrial funds and equity investments. This will cultivate new growth drivers and optimize the Company's industrial layout and investment returns.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

(v) Implementing robust safeguards to consolidate the foundation for high-quality corporate development

The Company will solidify its development foundation and stimulate endogenous momentum. It will deepen institutional and mechanism reforms, optimize organizational structures, and strengthen the “attraction, cultivation, utilization, and retention” of talent. Efforts will focus on driving technological innovation and facilitating the commercialization of scientific and technological achievements. The Company will strictly uphold safety bottom line, enforce full-chain safety responsibilities, and maintain firm adherence to safety production and compliance operations. It will comprehensively strengthen risk prevention and control and improve oversight systems to provide solid guarantees for the Company's high-quality development.

You Zhiming

Vice Chairman and General Manager

Chengdu, Sichuan Province, the PRC
30 March 2026

CORPORATE GOVERNANCE REPORT

I. CORPORATE GOVERNANCE

Since establishment, the Company has set up a corporate governance structure comprising the general meeting, the Board, the Supervisory Committee and the management, and has conducted on-going review and improvement of such structure in practice. In 2025, the Company abolished the Supervisory Committee, whose supervisory functions were assumed by the Audit Committee of the Board; the Strategic Committee was reorganized into the Strategy and Sustainable Development Committee, with an expanded function to oversee and manage the Company's ESG and other sustainable development matters. Until now, the Company has successively established committees under the Board, including the Audit Committee, the Strategy and Sustainable Development Committee, the Nomination Committee and the Remuneration and Appraisal Committee. The Company has also adopted an independent internal audit system, established a relatively comprehensive risk management and internal control system and formulated multi-tier governance rules based on the Articles of Association, aiming at clearly defining the duties, limits of authorities and codes of conducts for all parties. In accordance with laws, regulations and the governance rules, the general meeting, the Board and the management of the Company discharge their own duties, coordinate with each other, effectively counter-balance each other, and continuously enhance corporate governance standards, thereby laying a solid foundation for driving the Company's development and increasing value for the Shareholders.

As a listed company with both A Shares and H Shares, in addition to complying with the applicable laws and regulations, the Company is also required to comply with the requirements of the Corporate Governance Code of the Stock Exchange and the Code of Corporate Governance for Listed Companies of the CSRC regarding the practice of corporate governance. During the Reporting Period and up to the date of this annual report, the Company has adopted and complied with the Listing Rules on the Stock Exchange and the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules on the Stock Exchange.

CORPORATE GOVERNANCE REPORT (CONTINUED)

(I) Amendments to and improvements in corporate governance system

During the Reporting Period, the Company has adjusted, further supplemented and improved the corresponding corporate governance rules according to the amendments to laws, regulations and normative documents of relevant competent authorities. On 27 June 2025, as approved by the Board, the Company amended and improved the Administrative Measures for the Meetings and the Administrative Measures for Hospitality, as well as formulated the Administrative Measures for the Business Expenses for Performing Duties of Responsible Persons and the Interim Administrative Measures for the Company's Lawyer. On 31 July 2025, as approved by the Board, the Company formulated the Delegation of Authorities Management System (Trial), the List for the Operation and Delegation of Authorities for material Matters (2025) and the Administrative Measures for External Donations (Trial). On 13 August 2025, as approved by the general meeting of the Company, the Company amended and improved the Articles of Association, the Rules of Procedure for Shareholders' Meetings, the Rules of Procedure for the Board Meetings, the Detailed Implementation Rules for the Audit Committee, the Detailed Implementation Rules for the Strategy and Sustainable Development Committee, the Detailed Implementation Rules for the Remuneration and Appraisal Committee and the Detailed Implementation Rules for the Nomination Committee.

CORPORATE GOVERNANCE REPORT (CONTINUED)

(II) The purpose, strategy and culture of the Company

The Board has formulated the Group's mission, values, and strategies that are consistent with the Group's culture. The Group adhered to the new development concept and integrates into the new development pattern, focusing on the Chengdu-Chongqing Economic Circle strategy and the "dual carbon" policy requirements. The Group is committed to consolidating the traditional core business of investing, constructing, operating, and managing highways and expanding the economic development along the route. At the same time, the Group is cultivating and developing a green energy industry centered around "charging, battery swapping and hydrogen energy". The Group has been adhering to its five core development strategies of resource integration, asset operation, investment and acquisition, market value management, and technology empowerment; this is to continuously promoting industrial quality improvement and upgrading, achieving leap-forward development, high-quality development, and sustainable development, enhancing the comprehensive strength of the enterprise, and committing to becoming a "first-class comprehensive service provider in transportation industry in China". The Group operated with integrity and led by example, instilled and strengthened the values of acting in a lawful, ethical, and responsible manner throughout the Group. Firstly, the Group has been building an enterprise culture system, refining enterprise cultural concepts, strengthening the combination of cultural policies, and establishing an enterprise cultural construction evaluation mechanism. Secondly, the Group has been implementing an enterprise brand strategy, continuously expanding its own brand influence, and strengthening the internal promotion and implementation of enterprise culture. Thirdly, the Group adhered to the concept of "one road, one culture, one station, one feature" to create a distinct road culture.

CORPORATE GOVERNANCE REPORT (CONTINUED)

(III) The responsibility statement of the Board on risk management and internal control

It is the responsibility of the Board to establish, perfect, and effectively implement risk management and internal control system, to assess and determine the risk nature and degree it would accept when achieving the Group's strategic objectives. The Board is responsible for continuously supervising the Company's risk management and internal control system, including overseeing the management to design, implement and monitor the risk management and internal control system, and the annual review of the effectiveness of all important monitoring procedures concerning finance, operation, compliance, ESG, etc.; the Supervisory Committee conducts supervision on the Board's establishment and implementation of risk management and internal control (the functions were assumed by the Audit Committee after the Supervisory Committee was abolished during the Reporting Period); the management is responsible for organizing and implementing the day-to-day operations of the Company's risk management and internal control, and providing the Board with assurance on the effectiveness of the risk management and internal control system. It is also the Board's responsibility to ensure that the Company's resources and qualifications and experience of staff in respect of the Company's accounting, internal audit, ESG and financial reporting functions and the sufficiency of training sessions for staff and relevant budgets. Instead of to eliminate, the Company's risk management and internal control system is designed to monitor and manage the risk factors that affect the Company's business objectives, and make reasonable but not absolute guarantee on no significant misrepresentations or losses.

(IV) Sound establishment of risk management and internal control system of the Company

After years of operation and development, the Company has established a relatively comprehensive risk management and internal control system, ensuring the normal production and operation of the Company and playing a vital role in controlling operation risks. As the Company further develops, its risk management and internal control system needs to be continuously optimized and enhanced. Meanwhile, in order to implement the "Basic Rules for Internal Control of Companies" jointly issued by the Ministry of Finance, the CSRC, the National Audit Office and the NFRA and the Implementary Guideline for Enterprise Internal Control, and in light of the "Guidelines on Internal Control for Listed Companies" by the SSE and the Code, the Company has launched the construction of the corporate internal control system in an all-around way since the second half of 2010 and promptly completed the preparation and test of the Internal Control Manual as well as self-assessment and audit of internal control for the years from 2011 to 2025. In 2025, the Company solidly advanced internal control to ensure that the overall operation of the Company's internal control system was good. On the basis of proper supervision, self-inspection and review, the Company further strengthened its supervision and evaluation work as well as internal control system to consolidate the foundation of the system serving the business development of the Company.

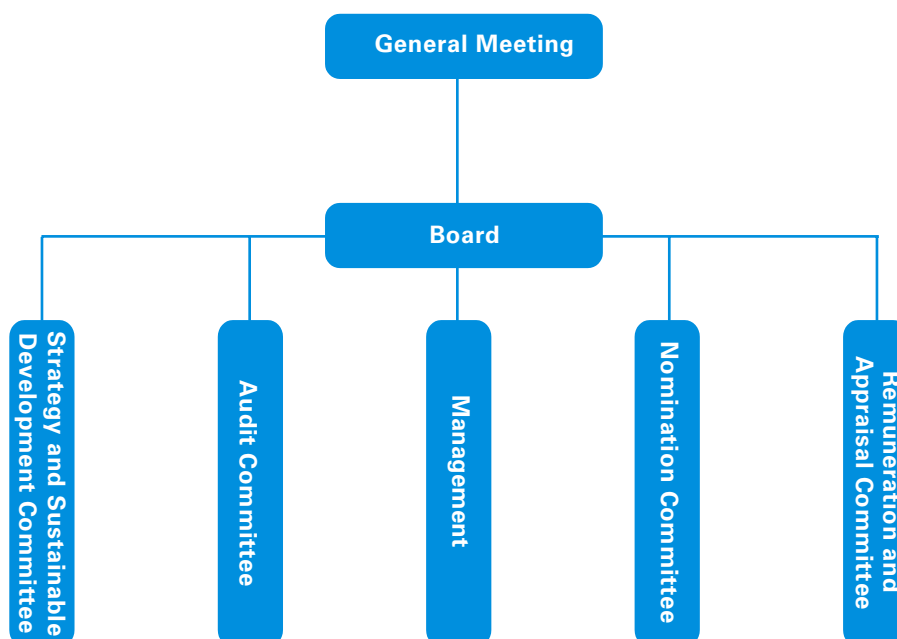
CORPORATE GOVERNANCE REPORT (CONTINUED)

Through making self-assessment of the design and implementation effectiveness of the Company's risk management and internal control as at 31 December 2025, the Board considers that, in terms of such businesses and matters as included in the scope of assessment, the Company had put in place risk management and internal control which had been implemented effectively with the Company's risk management and internal control objectives being accomplished, and there were no significant defects during the Reporting Period. ShineWing Certified Public Accountants (Special General Partnership) has audited the effectiveness of the relevant internal control for financial reporting of the Company and issued auditors' reports with standard unqualified opinions.

In the future, the Company will continue to press ahead with the implementation of its risk management and internal control system, and optimize the risk management and internal control system based on its existing system, and practically establish, optimize and implement a corporate risk management and internal control system with definite division between powers and obligations, scientific management and high efficiency.

II. CORPORATE GOVERNANCE STRUCTURE OF THE COMPANY

The current governance structure of the Company is shown in the diagram below:



CORPORATE GOVERNANCE REPORT (CONTINUED)

(I) Shareholders and General Meetings

The Company treats all the Shareholders on an equal footing by ensuring that all Shareholders, especially minority Shareholders, are entitled to enjoy equal status and fully exercise their respective rights, and are entitled to be informed of and make decisions on material matters of the Company, strictly prohibits any act detrimental to the interests of the Company and the Shareholders. Notice of, authorization from and consideration at general meetings are all in compliance with relevant procedures.

1. *Substantial Shareholders*

The substantial Shareholders of the Company include Shudao Group and China Merchants Expressway Company. The substantial Shareholders had acted properly and never exploited their special position to intervene the decision-making or the operation of the Company beyond the powers of the general meeting or advance extra interests.

The Company has separate personnel, assets, finance, organization and business from the substantial Shareholders. In respect of personnel, there is no interlocking which violates the laws and regulations and the Company has the rights of free appointment and removal in terms of labor and personnel; in respect of assets, the Company is strictly separated from its controlling Shareholder, possesses full ownership over its operating assets and operates with full independence; in respect of finance, the Company has an independent financial department and independent financial accounts and is able to autonomously make its financial decisions while the application of funds is free from any interference from the controlling Shareholders; in respect of organization, there is no question of “one team operating in two companies”, mixed operation or work in the same premise, and the office and business premise are separated; in respect of business, the Company has a different scope of business from those of its controlling Shareholder and owns entire business independence and independent operation capability.

CORPORATE GOVERNANCE REPORT (CONTINUED)

2. Policy on distribution of dividends

The Company, whilst maintaining sound and sustainable development, attaches great importance to reasonable investment return to its shareholders and adopts a consistent and stable profit distribution policy. The Company mainly determines the policy on distribution of dividends through the Articles of Association.

(1) Intervals of profit distribution

The Company shall distribute its distributable profits on an annual basis provided that its cash flows are sufficient to satisfy its normal capital needs and sustainable development; and an interim profit distribution may be carried out as the Company deems necessary according to its profits and capital requirements.

(2) Forms of profit distribution

The Company may distribute its profit in cash, shares, a combination of both cash and shares or otherwise permitted by laws and regulations. Cash dividend has priority over share dividend in profit distribution. Where the conditions of cash dividend are met, profit distribution shall be carried out in form of cash dividend.

(3) Conditions for distributing profit in shares

When the Company is operating in good condition and the Board considers that the Company's share price does not match its share capital size and that the distribution of stock dividends is beneficial to the overall interests of all Shareholders of the Company, it may, on the condition that the aforesaid cash dividend requirements are met, propose a plan for the distribution of stock dividends.

CORPORATE GOVERNANCE REPORT (CONTINUED)

(4) Conditions and percentages for distributing profit in cash

If the Company's distributable profit for the period is positive and its cash flows are sufficient to meet normal capital requirements, such as project investment, project renovation or expansion, repair and maintenance of road assets, acquisition of assets or purchase of equipment, and support its sustainable development, the Company shall distribute dividends in cash, and the sum of any such cash dividend shall not be less than 30% of the distributable profit earned by the parent company for the period concerned (the lower of the profit attributable to Shareholders under the PRC and overseas accounting standards respectively); and the Company shall take into account the following factors comprehensively including industry features, development stage, operation mode, profits level and if there are substantial arrangements for capital expenditures etc., and, in accordance with the stipulated procedures under the Articles of Association, formulate differential cash dividend policy in the following situations: ① when there are no substantial arrangements for capital expenditure of the Company during a mature development stage of the Company, cash dividend shall amount to at least 80% of the relevant profits distribution; ② when there are substantial arrangements for capital expenditure of the Company during a mature development stage of the Company, cash dividend shall amount to at least 40% of the relevant profits distribution; ③ when there are substantial arrangements for capital expenditure of the Company during a growth stage of the Company, cash dividend shall amount to at least 20% of the relevant profits distribution; Unless otherwise provided by laws and administrative regulations, the sum of an interim dividend shall not exceed 50% of the distributable profit as shown in the Company's interim income statement.

(5) Requirement on the time for completion of profit distribution

The Company shall distribute profit to its Shareholders according to their respective shareholdings within six (6) months after the end of each financial year.

After a resolution on the profit distribution plan is adopted at the general meeting of the Company, the Board of the Company shall complete the distribution of the dividends (or shares) within two (2) months after the general meeting.

CORPORATE GOVERNANCE REPORT (CONTINUED)

3. *General Meetings and Rights of Shareholders*

As the highest authority of the Company, the general meeting exercises its power in determining material matters of the Company pursuant to the laws. Shareholders requisitioning extraordinary general meetings or class meetings shall abide by the following procedures: Shareholders individually or collectively holding 10% or more of the Shares of the Company shall submit a written request for convening an extraordinary general meeting to the Board. The Board shall furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after receiving such request; in the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within 5 days after the passing of the relevant resolution of the Board; in the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, Shareholders individually or collectively holding 10% or more of the Company's Shares shall be entitled to propose to the Audit Committee the convening of the extraordinary general meeting; in the event that the Audit Committee agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within 5 days after receiving such request; failure of the Audit Committee to issue the notice of the general meeting shall be deemed as failure of the Audit Committee to convene and preside over a general meeting, and Shareholders individually or collectively holding 10% or more of the Company's Shares for 90 consecutive days or more may convene and preside over the meeting by themselves.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The annual general meetings or other extraordinary general meetings in each year provide a channel of direct communication between the Board and Shareholders. The Company encourages all Shareholders to attend general meetings and issues the meeting notice within at least 20 business days prior to the convening of the annual general meetings and at least 10 business days or 15 days (whichever is longer) prior to the convening of the extraordinary general meetings, and takes appropriate ways of disclosure and expression based on the regulatory regulations of different stock exchanges and reading habits of different investors to provide Shareholders with information or data that is helpful to decision-making. The Company discloses the details of procedures for Shareholders to attend in person or by proxy, contact information for enquiries by Shareholders, and etc., in the notices of general meetings. In accordance with the provisions under the Articles of Association, Shareholders individually or collectively holding more than 1% of the Company's Shares can make a temporary motion and submit it in writing to the convener 10 days before the date of Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting within 2 days upon receipt of the motion and submit such temporary motion to the Shareholders' meeting for consideration. At the general meetings, all Shareholders also have opportunities to make enquiries to the Directors about issues concerning the operation and results of the Group. All Directors and senior management of the Company are required to attend the meetings as much as possible to answer Shareholders' enquiries and discuss directly with Shareholders about the Company's business and prospect.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In 2025, the Company convened four general meetings. The convening of and matters approved at the meetings are summarized as follows:

No.	Meeting	Date of Meeting	Name of Resolutions	Status
1	The first extraordinary general meeting in 2025	9 January 2025	<ol style="list-style-type: none"> 1. Resolution in relation to the signing of the Framework Agreement on Related Party Transaction for Construction Works and Related Services between the Company and Shudao Investment 2. Resolution in relation to the Director's remuneration for Mr. Yao Jiancheng 3. Resolution in the relation to the election of Mr. Yao Jiancheng as an executive Director of the eighth session of the Board of the Company 	All resolutions were duly considered and approved
2.	The 2024 annual general meeting	22 May 2025	<ol style="list-style-type: none"> 1. Resolution in relation to the profit distribution and dividend payment plan for the year 2024 2. Resolution in relation to the work report of the Board of Directors for the year 2024 3. Resolution in relation to the work report of the Supervisory Committee for the year 2024 4. Resolution in relation to the duty performance report of the independent Directors for the year 2024 5. Resolution in relation to the final accounts report for the year 2024 	All resolutions were duly considered and approved

CORPORATE GOVERNANCE REPORT (CONTINUED)

No.	Meeting	Date of Meeting	Name of Resolutions	Status
			6. Resolution in relation to the domestic and overseas annual reports and their summaries for the year 2024	
			7. Resolution in relation to the financial budget for the year 2025	
			8. Resolution in relation to the re-appointment of BDO China Shu Lu Pan Certified Public Accountants LLP as the domestic auditor for the year 2025	
			9. Resolution in relation to the re-appointment of PricewaterhouseCoopers as the international auditor for the year 2025	
			10. Resolution in relation to the registration and issuance of debt financing instruments of non-financial enterprises and related matters	
			11. Resolution in relation to the remuneration plan for the Directors	
			12. Resolution in relation to the remuneration plan for the Supervisors	
			13. Resolution in relation to the liability insurance for the Directors, the Supervisors and the senior management	

CORPORATE GOVERNANCE REPORT (CONTINUED)

No.	Meeting	Date of Meeting	Name of Resolutions	Status
3	The second extraordinary general meeting in 2025	13 August 2025	<ol style="list-style-type: none"> 1. Resolution in relation to the amendment of the Articles of Association of Sichuan Expressway Company Limited and the abolition of the Supervisory Committee 2. Resolution in relation to the amendment of the Rules of Procedure of the Shareholders' Meeting of Sichuan Expressway Company Limited 3. Resolution in relation to the amendment of the Rules of Procedure of the Board of Directors of Sichuan Expressway Company Limited 4. Resolution in relation to the investment in the Chengdu-Ya'an Expressway Expansion Project and connected transaction 	All resolutions were duly considered and approved

CORPORATE GOVERNANCE REPORT (CONTINUED)

No.	Meeting	Date of Meeting	Name of Resolutions	Status
4	The third extraordinary general meeting in 2025	24 December 2025	<ol style="list-style-type: none"> 1. Resolution in relation to the execution of the General Construction Contract for the Expansion Project for the Chengdu-Ya'an Section of G5 Jingkun Expressway by the Company's holding subsidiary with the constructor 2. Resolution in relation to the execution of the Framework Agreement for Connected Transactions of Construction Works and Related Services between the Company and Shudao Investment 3. Resolution in relation to the change of domestic auditor of the Company for the year 2025 4. Resolution in relation to the Director's remuneration of Mr. Luo Hong 5. Resolution in relation to the election of Mr. Luo Hong as an independent non-executive Director of the eighth session of the Board of the Company 	All resolutions were duly considered and approved

In addition to the said communication with the Board by means of general meetings, Shareholders can also submit their enquiries and questions in writing to the Board through the secretary to the Board at any time. The contact details of Mr. Yao Jiancheng, the company secretary in Hong Kong and secretary to the Board in the PRC, are as follows:

Tel: (86) 28-8552 7109
 Fax: (86) 28-8553 0753
 E-mail: cygsqz@163.com
 Contact address: No. 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC
 Postal code: 610041

CORPORATE GOVERNANCE REPORT (CONTINUED)

(II) Board and Directors

Board

1. Responsibilities and division of work

The Board acts on behalf of the interests of Shareholders as a whole and is accountable to the general meeting. Its main duties are to exercise rights of decision-making and management in accordance with laws and regulations and the authorization of general meetings in terms of the Company's development strategies, management framework, financing and investment plans, financial control and human resources, etc., and to exercise supervision and inspection on the development and operating activities of the Company. The Board has established 4 committees and assigned certain specific powers to each committee to assist the Board in effective performance of duties. The composition, responsibilities and functions of each committee are set out in the section headed "Committees under the Board" in this chapter. Unless otherwise stipulated in the terms of reference of relevant committees, the Board reserves the right to make final decisions.

The management is accountable to the Board. Its major responsibilities are to implement the resolutions of the Board, manage the Company's day-to-day operations, organize the implementation of the Company's annual business plan and investment plan, and make relevant decisions in accordance with laws and regulations and the authorization of the Board. When the Board delegates powers in respect of management and administrative functions to the management, it has given clear guidance on the powers of the management. In exercise of duties, the management should not exceed the permitted scope of its duties.

CORPORATE GOVERNANCE REPORT (CONTINUED)

2. *Composition*

As at the date of this report, the Board currently has 11 Directors and is the eighth session of the Board since the establishment of the Company. The term of office of the Directors shall be three (3) years commencing from 18 November 2022 or from the date on which the Directors were elected or until the end of the eighth session of office of the Board. During the year 2025 and as at the date of this report, the composition of and changes in the Board are set out in Section VIII “Profile of Directors, Supervisors, Senior Management and Employees” in this annual report.

The eighth session of the Board has 4 independent non-executive Directors, representing more than one-third of the total directorship. Independent non-executive Directors are experienced professionals in various industries including transportation and automobile engineering, business administration, economy and accounting. With a responsible attitude and extensive professional knowledge and experience, the independent non-executive Directors have in good faith performed their independent duties of honesty and diligence in participating in discussion and decision-making on material matters of the Company, reviewing the connected transactions, fund transactions and external guarantee of the Company as well as giving their independent opinions or recommendations, whereby the overall interests of the Company and the lawful interests of the Shareholders as a whole have been effectively safeguarded. Independent non-executive Directors have played an important role in the Board.

Composition of the Board satisfied the demand of the Company’s business for the Board members concerning their skills and experience together with perspectives and diversified angles. Change of the Board members will not bring in unsuited interference. Executive Directors and non-executive Directors (including independent non-executive Directors) of the Board constitute a balance structure with strong independency, and is capable of making independent judgment. Non-executive Directors possess sufficient caliber and number to put forward influential opinions and thus effectively safeguarding the interest of the Company as a whole and of all its Shareholders.

CORPORATE GOVERNANCE REPORT (CONTINUED)

3. *Meetings of the Board*

During the Year, the Board convened a total of 13 Board meetings in view of the needs of the operation and business development of the Company. Board meetings and resolutions are published on the websites of the Stock Exchange, the SSE and the Company for review by Shareholders and investors.

The Board holds regular meetings on a quarterly basis and extraordinary meetings if necessary. The notice of regular Board meeting shall be sent to all Directors at least 14 days before the meeting, and the notice of other extraordinary Board meetings shall be sent to all Directors at least 5 days before the meeting. The chairman, more than one third of Directors, more than half of all independent Directors, the Audit Committee, the general manager or Shareholders representing more than one tenth of voting rights have rights to propose the convening of an extraordinary Board meeting in accordance with the Rules of Procedures of the Board.

The management of the Company is responsible for providing of relevant statistics and information required for the Board's consideration of various resolutions and arranging for senior management to report their work at Board meetings. The Board and its special committees are entitled to appoint independent professional institutions for services according to the needs of corporate businesses, and the reasonable expenses incurred therefrom shall be borne by the Company.

When a Board meeting considers any transaction, Directors shall declare their interests involved, and shall abstain from voting at the meeting as required. The Company has stated in the Articles of Association that, if a Director has a conflict of interest in any material matter, the connected Director must abstain from voting at the Board meeting.

Directors

1. *Appointment*

Directors are elected at general meetings. Shareholders and the Board are eligible to nominate candidates for Directors in writing. Directors serve for a term of office of 3 years and, upon expiry of the term, their appointment is subject to further consideration at general meetings and they may offer themselves for re-election. Independent non-executive Directors shall be the persons not connected with the management and substantial Shareholders of the Company. There are no relationships (including financial, business, family or other material/relevant relationships) among the Directors and senior management.

CORPORATE GOVERNANCE REPORT (CONTINUED)

2. *Information support and professional development*

As always, the Company has been committed to improving its internal information support system and communication mechanism so as to secure effective functioning of the Board. Through the secretary to the Board, all Directors during their term of office are able to keep abreast of relevant information and the latest movements in laws, regulations, regulatory ordinances and other continuing obligations that directors of listed companies shall comply with, on a timely basis. Through various means such as statistics provision, work reports, site visits, professional trainings and special conference, etc., all Directors are enabled to keep informed of the business development, competition and regulatory environment of the Company on a timely basis, thus ensuring the Directors understand their duties. This facilitates correct and effective decisions by the Directors and ensures procedures of the Board and the applicable laws and regulations are duly observed.

In 2025, the participation of Directors in continuing professional development activities is as follows:

Name of Director	Type of Activity	
	Reading materials in respect of traffic and transportation, anti-bribery, corporate governance, capital operation and financial accounting	Participation in centralized trainings and attendance in forums, seminars and meetings on regulatory work
Luo Zuyi	✓	✓
You Zhiming	✓	✓
Yang Shaojun	✓	✓
Ma Yonghan	✓	✓
Yao Jiancheng	✓	✓
Mao Yurong	✓	✓
Li Chengyong	✓	✓
Chen Chaoxiong	✓	✓
Yu Haizong	✓	✓
Bu Danlu	✓	✓
Zhou Hua	✓	✓
Jiang Tao	✓	✓
Luo Hong	✓	✓

CORPORATE GOVERNANCE REPORT (CONTINUED)

3. Performance of duties for the Year

During the Reporting Period, the members of the Board were jointly responsible for the management and operation of the Company's businesses. Each Director actively cared for the Company's businesses and cautiously and diligently executed their respective responsibilities on the basis of fully understanding the Company's businesses and in good faith in the best interests of the Company.

In 2025, the attendance of the Board meetings and general meetings by the Directors is as follows:

Name of Director	Required attendance in Board meetings during the Year	Attendance of Board Meetings			Attendance of General Meetings	
		Attendance in person	Attendance via communications	Attendance by proxy	Attendance in person/required attendance	Number of attendance/meetings
Luo Zuyi	13	13	0	0	13/13	4/4
You Zhiming	13	13	0	0	13/13	4/4
Yang Shaojun	13	13	10	0	13/13	4/4
Ma Yonghan (resigned)	13	13	0	0	13/13	4/4
Yao Jiancheng	13	13	0	0	13/13	4/4
Mao Yurong	13	13	0	0	13/13	4/4
Li Chengyong	13	13	0	0	13/13	4/4
Chen Chaoxiong (resigned)	13	13	0	0	13/13	4/4
Yu Haizong	13	13	0	0	13/13	4/4
Bu Danlu (resigned)	12	12	0	0	12/12	4/4
Zhou Hua	13	13	0	0	13/13	4/4
Jiang Tao	13	13	0	0	13/13	4/4
Luo Hong	1	1	0	0	1/1	1/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

Number of Board meetings held during the Year	13
Of which: Number of physical meetings	0
Number of meetings held via communications	0
Number of meetings held by way of combination of both	13

During the Reporting Period, all Directors of the Company have attended the Board meetings with due care and diligence, and offered professional suggestions and independent judgments in respect of the material issues being discussed at the meetings by virtue of their expertise and experience.

Apart from attendance of Board meetings with due diligence and performance of their duties with honesty, the independent non-executive Directors of the Company also held meetings with external auditors to discuss annual auditing issues in accordance with relevant requirements and guidance and provided independent opinions and recommendations to the Board in respect of material issues and connected transactions of the Group, and etc. During 2025, independent non-executive Directors, by means such as joining the Board and special committees, reviewed and provided independent opinions on material issues of the Company such as investment decisions, connected transactions, profit distribution and internal control, whereby the overall interest of the Company and the lawful interest of the Shareholders as a whole had been safeguarded and the healthy development of the Company had been promoted. The Board, through reviewing the implementation of the above mechanisms, believes that they can effectively ensure that the Board obtains independent views and opinions.

During the Year, the independent non-executive Directors had neither raised any objections to the resolutions of the Board nor made any proposals to convene a Board meeting.

CORPORATE GOVERNANCE REPORT (CONTINUED)

4. *Remunerations of Directors and Supervisors*

During the Reporting Period, remunerations of the Directors, Supervisors (excluding the employee's representative Supervisor(s)) and senior management of the Company are determined in accordance with relevant PRC policies or regulations, the Company's actual situation, and meanwhile taking his/her job responsibilities, risk assumed and contribution into consideration. The Board (considering the opinions of the Remuneration and Appraisal Committee) and the Supervisory Committee may make suggestions on the remunerations schemes for Directors and Supervisors (excluding the employee's representative Supervisor(s)) which shall be considered and approved at the general meeting; while the remunerations schemes for senior management shall be considered and approved by the Board (considering the opinions of the Remuneration and Appraisal Committee). The incentive (if any), individual awards (if any) and allowances for the aforesaid staff on his/her term of office should be determined by the Board as authorized by the general meeting, after giving consideration to the opinions of the Remuneration and Appraisal Committee. Information on the remunerations of Directors and Supervisors of the Company for 2025 is set out in Note 10 to the financial statements of this annual report.

5. *Independence of Directors*

The Company has appointed a sufficient number of independent non-executive Directors. The Board has obtained written confirmations from all independent non-executive Directors concerning their independence in accordance with the requirements of Rule 3.13 of the Listing Rules on the Stock Exchange. The Company believes that the incumbent independent non-executive Directors have all complied with such rule and the relevant regulations on the SSE and are still regarded as independent.

6. *Securities transactions by Directors*

During the Year, the Company has adopted a code of conduct regarding securities transactions by the Directors on terms not less exacting than the required standards set out in the Model Code, and has strictly complied with the relevant requirements of the Listing Rules. Having made specific enquiries to all Directors, it was confirmed that the Directors of the Company have complied with the Model Code in relation to securities transactions by the Directors and its standards on code of conduct and there had not been any non-compliance with the relevant requirements on the Model Code and the Listing Rules.

CORPORATE GOVERNANCE REPORT (CONTINUED)

7. *Director's liability insurance*

Purchase of liability insurance for Directors will, on one hand, enable the Company to establish an effective prevention mechanism against the vocational risks associated with the management staff, encourage their innovation, attract more excellent management talents and optimize the corporate governance structure of the Company; and on the other hand, it will enhance the anti-risk ability of the Company and contribute to the protection of the lawful interests of minority and medium Shareholders. During the Year, the Company has purchased liability insurance for Directors, Supervisors and senior management members of the Company in relation to their performance of duties.

8. *Responsibility statement on financial statements by the Directors*

The Directors confirm that they have the responsibility to prepare the financial statements that can give a true and complete view of the Group's financial position. The Board is of the opinion that as the Company's resources are sufficient for its operation in future, the financial statements have been prepared based on the going concern, and that in preparation of such financial statements, applicable accounting policies were adopted.

9. *Chairman and General Manager*

Mr. Luo Zuyi serves as the chairman of the Company. The chairman of the Board shall exercise the following powers: (1) to preside over general meetings and to convene and preside over meetings of the Board; (2) to check on the implementation of resolutions of the Board; (3) to sign the securities certificates issued by the Company; (4) to exercise other powers conferred by the Board.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Mr. You Zhiming serves as the general manager of the Company. The general manager shall be accountable to the Board and exercise the following powers: (1) to be in charge of the Company's operation and management and to organise the implementation of the resolutions of the Board; (2) to organise the implementation of the Company's annual business plan and investment plan; (3) to propose plans for the establishment of the Company's internal management structure; (4) to propose the Company's basic management system; (5) to formulate basic rules and regulations for the Company; (6) to propose to the Board the appointment or dismissal of the Company's deputy general manager(s) and the financial controller; (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; (8) to determine rewards and punishments, promotion and demotion, increase and decrease of salaries, appointment, recruitment, termination of employment and dismissal of the staff and workers of the Company; (9) to, as authorised by the Board, represent the Company in important external business transactions; and (10) to exercise other powers conferred by these Articles of Association and the Board.

(III) Committees under the Board

In order to help the Board to discharge its duties and promote effective operation, four committees have been set up under the Board. These committees review and monitor matters in specific areas of the Company within their designated terms of reference, and make corresponding recommendations to the Board. The detailed implementing rules for each committee has been approved by the Board and published on the websites of the Stock Exchange, the SSE and the Company for inspection by the Shareholders and the investors.

Members of the committees shall be elected and appointed by the Board in accordance with the provisions under the detailed implementation rules for their respective committees and with the same term of office as the Board. Members of the committees may, if re-elected upon expiration of their terms of office, serve consecutive terms.

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the Year, the composition and duty performance of the members of the committees under the eighth session of the Board of the Company during the period from 1 January 2025 to 31 December 2025 are set out as follows:

Name of Director	Role of Director	Audit Committee		Strategy and Sustainable Development Committee		Nomination Committee		Remuneration and Appraisal Committee	
		Member ("√") Chairlady ("*")	Number of attendance/ meeting	Member ("√") Chairman ("**")	Number of attendance/ meeting	Member ("√") Chairman ("**")	Number of attendance/ meeting	Member ("√") Chairman ("**")	Number of attendance/ meeting
Luo Zuyi	Executive Director			*	1/1	√	1/1		
Chen Chaixiong	Non-executive Director							√	2/2
Yu Haizong	Independent non-executive Director			√	1/1	*	1/1		
Bu Danlu (resigned)	Independent non-executive Director	*	7/7					√	2/2
Zhou Hua	Independent non-executive Director	√	7/7			√	1/1		
Jiang Tao	Independent non-executive Director	√	7/7	√	1/1			*	2/2
Luo Hong	Independent non-executive Director	*	0/0					√	0/0

1. Audit Committee

The Company set up the Audit Committee in November 2004. The major terms of reference of the Audit Committee are as follows: to review the Company's financial information and its disclosure; to perform corporate governance functions, and supervise the Company's internal control, financial reporting system and risk management procedures; to make recommendations on the appointment and dismissal of external accountants, review and monitor the external accountant's independence and objectivity and the effectiveness of the audit process; and to work with the Board to formulate policies concerning the Company's engagement of accountants and supervise the implementation of such policies.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In respect of the performance of corporate governance functions by the Audit Committee, the Board has authorized the committee to perform the following functions: to formulate and review the Company's corporate governance policies and practices and make recommendations to the Board in respect thereof; to review and monitor the Company's compliance with the regulatory systems under the laws and regulations (including but not limited to the Listing Rules) and regulatory authorities (including but not limited to the Stock Exchange and the SSE); to formulate, review and monitor the code on conduct and compliance manual (if any) for the Company's staff and Directors; and to review the Company's compliance with the Corporate Governance Code (as amended time from time) set out in the Appendix C1 to the Listing Rules on the Stock Exchange and the disclosure of such compliance in the Corporate Governance Report in its periodical reports as required under the Listing Rules.

The committee hereby presents its work report during 2025 as follows:

Written Report of the Audit Committee

The Audit Committee convened 7 meetings in 2025 and 3 meetings from 1 January 2026 to the date of this report. Meetings of the Audit Committee were presided over by the chairman of the Audit Committee. All members of the committee attended the meetings in person. The secretary to the Board, the financial controller of the Company and relevant personnel were also invited to attend the meetings except for the twenty-third meeting of the Audit Committee under the eighth session of the Board, which was only attended by members of the Audit Committee and the external auditors. The major work completed by the Audit Committee during the said period is as follows:

CORPORATE GOVERNANCE REPORT (CONTINUED)

– *Reviewing regular financial reports*

The Audit Committee is responsible for examining and supervising the integrity of the Company's financial statements, accounts and periodical reports, and reviewing significant financial reporting judgments contained in such statements and annual reports. In accordance with relevant procedures, the management is responsible for preparation of the Group's financial reports including adoption of appropriate accounting policies, the external auditors are responsible for auditing and verifying the Group's financial reports and evaluating the Group's internal control system, while the Audit Committee supervises the work of both the management and the external auditors and confirms the procedures and safeguard measures adopted by the management and external auditors. In reviewing these statements and reports before submission to the Board, the Audit Committee should focus particularly on any changes in accounting policies and practices, matters involving significant judgment, significant adjustments resulting from audit and the going concern assumptions, any qualified opinion and whether it is in compliance with relevant accounting standards and requirements concerning financial reporting under the Listing Rules and laws. The specific work includes:

- (1) Reviewing the 2024 annual financial statements and unaudited financial statements for the first half year of 2025 (according to the HK GAAP and the PRC GAAP), unaudited financial statements for the first and third quarters of 2025 (according to the PRC GAAP), and making approval suggestions to the Board.
- (2) Before the annual audit of 2025, the Audit Committee convened a meeting to hear the plan for preparation and annual audit of 2025 financial report of the Company and the report on annual audit plan from external auditors, and communicated on the audit scope, method, focus and specific scheduling for the Year.
- (3) After completing audit and issuing preliminary audit opinions by external auditors, the Audit Committee convened the 2026 second meeting to discuss and communicate with the external auditors of the Company on relevant issues of the financial and accounting statements of the Company and the preliminary audit opinions of the auditors.
- (4) During the audit process for the Year, the Audit Committee maintained continuous communications with external auditors, who submitted this Year's audit report on time after prior and complete communications and prompt supervision during the audit.

CORPORATE GOVERNANCE REPORT (CONTINUED)

(5) The Audit Committee convened the 2026 third meeting to consider the 2025 annual audit report of the Company and considered that the Group's 2025 annual financial statements can truly and correctly reflect the operation results of the Group for the year 2025, and the financial position as at 31 December 2025. It recommended the Board to make approval.

– *Risk management, internal control and corporate governance reviewing*

The Audit Committee is responsible for assisting the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal control. During the Year, the Audit Committee inspected financial control, internal audit, risk management and the progress of internal control construction. No impropriety in respect of financial reporting, internal audit, risk management, internal control or other aspects that might occur has been brought to the attention of the Audit Committee by any employees of the Company. The Audit Committee earnestly reviewed the Group's financial and accounting policies and practices, the Internal Control Manual in areas such as the corporate-level control and business-level control, focused on the examination of the implementation of rectification for the general defects found in the 2024 Self-Assessment Report of Corporate Internal Control, and reviewed the effectiveness of the Group's internal control (including finance, operation, compliance control and risk management functions), and the resources and qualifications and experience of staff in respect of the Company's accounting and financial reporting functions and the sufficiency of training sessions for staff and relevant budgets. On this basis, the Audit Committee reviewed the 2025 Self-Assessment Report of Corporate Internal Control of the Company and was of the opinion that the report gave a comprehensive and objective view of the establishment and operation of the internal control system of the Company, and that the Company has established a relatively complete internal control system and is continuously optimizing and improving the system, which plays favorable supervision and guiding functions for the standard operation of the Company.

During the Year, the Audit Committee also performed the corporate governance functions delegated by the Board, reviewed the compliance with the regulator rules under the Code on Corporate Governance Practices and the Corporate Governance Code, and laws and regulations, and reviewed the information disclosed in the Corporate Governance Report of the Company.

CORPORATE GOVERNANCE REPORT (CONTINUED)

– *Work evaluation on auditors*

(1) The Audit Committee appraised the audit work and performance capacity of the Company's PRC auditor, ShineWing Certified Public Accountants (Special General Partnership) in 2025 from the following aspects:

a. Professional competence

ShineWing Certified Public Accountants (Special General Partnership) holds the practising certificate as an accounting firm and has the qualification in auditing business and other businesses, and all the members therein are China Certified Public Accountants with a wealth of financial auditing experiences.

During the Reporting Period, ShineWing Certified Public Accountants (Special General Partnership) had a smooth communication with the management and the Audit Committee, maintained a higher standard in giving professional opinions, and in audit quality and efficiency of financial information disclosure, as such, it possessed stronger professional capacity.

b. Investor protection capacity

ShineWing Certified Public Accountants (Special General Partnership) has purchased occupational insurance that complies with relevant laws and regulations. The sum of accumulative compensation limit of occupational insurance and occupational risk fund has exceeded RMB200 million, and the provision for the occupational risk fund or the purchase of the occupational insurance are in compliance with relevant regulations. In the past three years (2023 to 2025), ShineWing has not been required to bear any other civil liabilities due to civil litigation related to its practice other than the case of Disputes over the Liability for Misrepresentation of Securities against Leshi Internet, the case of Disputes over the Liability for Misrepresentation of Securities against Yangtze New Material and the case of Disputes over the Liability for Misrepresentation of Securities against Hiersun.

CORPORATE GOVERNANCE REPORT (CONTINUED)

c. Independence and integrity of the project members

In the past three years (2023 to 2025), ShineWing Certified Public Accountants (Special General Partnership) was subject to 0 criminal penalties, 3 administrative penalties, 21 supervisory and management measures, 8 self-regulatory measures and 1 disciplinary action for its business practice. 76 practitioners have received 0 criminal penalties, 8 administrative penalties, 21 supervisory and management measures, 11 self-regulatory measures and 2 disciplinary actions for their practice in the past three years.

There is no circumstance in breaching the independence requirement under China Code of Ethics for Certified Public Accountants (《中國註冊會計師職業道德守則》) by ShineWing Certified Public Accountants (Special General Partnership) and its project partners, signing certified public accountants, project quality control reviewers and other practitioners. In the past three years (2023 to 2025), its project partner, Ms. Chen Fangfang, and signing certified public accountant, Mr. Song Jinping have not been subject to criminal penalties, and administrative penalties or supervisory and management measures imposed by the SFC and its agencies or industry authorities, or self-regulatory measures or disciplinary actions imposed by securities exchanges, industry associations, or other self-regulatory organizations. Its project quality control reviewer, Mr. He Yong, has been subject to 1 supervisory and management measure imposed by the agency of the SFC, details are set out below:

No.	Name	Date of penalty handling	Type of penalty handled	Executing authority	Reason and penalty handling status
1	He Yong	2024-4-3	Supervisory and management measure	The Tibet Regulatory Bureau of the CSRC	During the performing of the 2022 financial statement audit business for Tibet Tianlu Co., Ltd. (西藏天路股份有限公司), there were issues such as the failure to reasonably evaluate the goodwill assessment results issued by the assessment institution. The firm and the signing certified public accountant have been subject to supervisory and management measure.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Audit Committee considered that ShineWing Certified Public Accountants (Special General Partnership) appointed by the Company as the PRC auditor of the Company for the year 2025 had good performance in terms of professional competence, investor protection capacity, independence and integrity, etc.

- (2) The Audit Committee considered that PricewaterhouseCoopers appointed by the Company as the international auditor for the year 2025 had good performance in terms of independence and objectivity, professional technical level, auditing quality and efficiency of financial information disclosure, communication results with the management and the Audit Committee, etc.

Luo Hong, Zhou Hua, Jiang Tao

Members of the Audit Committee

30 March 2026

2. Strategy and Sustainable Development Committee

The Company established the Strategic Committee in March 2012, and changed it to the Strategy and Sustainable Development Committee in June 2025. The major responsibilities of the Strategy and Sustainable Development Committee include the planning of the long-term development strategies of the Company, the ESG-related works of the Company, conducting research and submitting proposals regarding material investment and financing plans, material capital operations, assets operation projects subject to the approval of the Board in accordance with the Articles of Association of the Company, and other material matters that may affect the Company's development, and carrying out examination on the implementation of the above matters, etc.

During the year, the Strategy and Sustainable Development Committee carefully reviewed the relevant matters of the Company's acquisition of 85% equity interest in Jingyi Expressway Company through share issuance and cash payment. The Strategic Committee unanimously considered that the acquisition is in line with the development strategy of the Company "14th Five-Year Plan", conducive to enhancing the Company's sustainable development capability and road network scale, further optimizing the Company's asset structure and focusing on the main businesses. The committee agreed to submit a resolution on the acquisition of 85% equity interest in Jingyi Expressway Company through share issuance and cash payment by the Company for consideration by the Board.

CORPORATE GOVERNANCE REPORT (CONTINUED)

3. *Nomination Committee*

The Company established the Nomination Committee in March 2012. The major terms of reference of the Nomination Committee were specified to include: to formulate and review the diversity policy for members of the Board and carry out discussions and amendments to the policy concerned where it is needed and to disclose the reviewing conclusion in the Corporate Governance Report of the Company on a yearly basis; to give suggestions to the Board on the structure, composition and change of members of the Board according to the Company's actual situation; to study the selection criteria and procedures for Directors and managers, and give suggestions to the Board; to seek qualified candidates for Directors and managers in a broad scope, and nominate relevant candidates for Directors and management staff after selection, or to give opinions to the Board in this regard; to examine the candidates for Directors, managers and other senior management staff, and give suggestions to the Board; to assess the independence of independent non-executive Directors; to give suggestions to the Board on the appointment or re-appointment of Directors and the succession plan for Directors (especially the chairman of the Board and the general manager), etc.

The Board diversity policy of the Company is that the Nomination Committee takes into consideration various factors, namely, the selection of the Board candidates will be based on a series of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge, when determining the Board composition. On top of the above factors, qualities such as the candidate's comprehensive value to the business and development of the Company, his/her potential contribution to the Board and requirements on Board diversity will be taken into account when making the decision.

During the Year, the Nomination Committee discussed and reviewed the Implementation Rules of the Nomination Committee under the Board; the Nomination Committee also reviewed the structure, size and composition of the Board (including knowledge, skills and experience of its members). Upon discussion, members of the Board have been diversified in terms of age, cultural and educational background, professional experience, skills and knowledge.

As at 31 December 2025, the Company has two female Directors and the Board will endeavour to maintain enough female representation on the Board. In addition, the proportion of male and female employees among all employees (including senior management) of the Group is 50.47% and 49.53%, respectively, with 100% and 0% of senior management being male and female respectively. Therefore, the Board considers that the Group's employees, including senior management, to be sufficiently gender-diverse. The Company will continue to put effort on maintaining the Group's gender diversity.

CORPORATE GOVERNANCE REPORT (CONTINUED)

4. *Remuneration and Appraisal Committee*

The Company established the Remuneration and Appraisal Committee in March 2012. The Remuneration and Appraisal Committee has adopted the operation mode of performing the advisory role for the Board and the committee is responsible for reviewing the matters regarding remuneration, formulating remuneration policies and putting forward suggestions to the Board on the remuneration policies, formulating assessment standards for the Directors and senior management of the Company and conducting assessment, and reviewing and monitoring the training and continuing professional development of Directors and senior management members.

During the Year, the Remuneration and Appraisal Committee carefully reviewed the service contracts proposed to be entered into in relation to the election of Directors to the Board, and submitted the remuneration suggestions to the Board by reference to market level and in combination of the actual situations of the Company and the candidates, which were approved by the Board. The Remuneration and Appraisal Committee also supervised and reviewed the implementation of the Company's remuneration system. It also conducted assessment and evaluation on the operation performance and sustainable professional development of the executive Directors and the management of the Company for 2025.

III. SUPERVISORY MECHANISM

(I) Supervisory Committee

As at 13 August 2025, the Supervisory Committee comprises 5 Supervisors, and is the eighth session of the Supervisory Committee since establishment of the Company. The term of office of Supervisors commenced from 18 November 2022 or the date of election of the Supervisors. During the term of the Supervisory Committee in the Year, the number and composition of the Supervisory Committee complied with the requirements of laws and regulations, details of which are set out in Section VIII "Profile of Directors, Supervisors, Senior Management and Employees" of this annual report.

During the period, the Supervisory Committee independently exercised the supervisory powers of the Company in accordance with the law and held a total of 6 meetings, all of which were attended by all Supervisors, supervising the financial affairs of the Company and the legality and compliance of the performance of duties by the Directors and senior management on behalf of the Shareholders. Unless unable to attend due to important official business, members of the Supervisory Committee attended the Board of Directors' meetings and general meetings, diligently performed the duties of the Supervisory Committee, and safeguarded the legitimate rights and interests of the Shareholders, the Company and its employees from infringement.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In order to implement the provisions of the Company Law effective from 1 July 2024 and Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law 《關於新〈公司法〉配套制度規則實施相關過渡期安排》 of the CSRC that a listed company shall cancel the establishment of a supervisory committee or supervisors before 1 January 2026 and the audit committee of the board of directors shall exercise the functions and powers of the supervisory committee, the Company convened an extraordinary general meeting on 13 August 2025 and considered and approved the proposal regarding the cancellation of the establishment of the Supervisory Committee and the amendment to the Articles of Association by way of special resolution. With effect from 13 August 2025, the Company formally cancelled the establishment of the Supervisory Committee, and the Audit Committee of the Board of Directors shall exercise the functions and powers of the Supervisory Committee as stipulated under the Company Law. Mr. Wang Yao, Ms. Gao Ying, Ms. Li Tao and Ms. Lu Xiaoyan ceased to be Supervisors of the eighth session of the Supervisory Committee of the Company with effect from the same date.

(II) Risk Management and Internal Control

A comprehensive and practicable risk management and internal control system is a foundation for good corporate governance. The Board is responsible for the establishment and improvement of risk management and internal control system of the Company for the purposes of reviewing the relevant control procedures of finance, operation and regulation so as to protect the Shareholders' interest and the Company's assets. The Board approves the management to promote the internal control system and review its effectiveness through the Audit Committee. To more effectively review the operation and management of the Group and the effectiveness of its internal control system, the Company has set up the Audit Department to introduce an independent internal audit system, and carry out analysis and independent assessment on the integrity and effectiveness of the Group's risk management and internal control system. During their work, the internal audit staff has the right to access the relevant information of the Company and inquire the relevant personnel. Manager of the Audit Department reports the work results to the Audit Committee, and after review, the Audit Committee gives suggestions to the management of the Company, and follows up the implementation of the rectification plan. The Board has obtained the management's confirmation on the adequacy and effectiveness of the Company's risk management and internal control system during the Year.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In order to implement the “Basic Rules for Internal Control of Enterprises” jointly issued by the Ministry of Finance, the CSRC, the National Audit Office, the China Banking Regulatory Commission and the China Insurance Regulatory Commission and the Implementary Guideline for Enterprise Internal Control, and in light of the “Guidelines on Internal Control for Companies Listed on the SSE” by the SSE and the Code, the Company has launched the construction of corporate internal control system in an all-around way since the second half of 2010, further specifying the tasks and targets for three areas including establishment and improvement of the internal control system, self-assessment and auditing. During the Reporting Period, all the main tasks progressed as scheduled, and the Company’s internal control system was further strengthened. For details, please refer to “Sound Establishment of Risk Management and Internal Control System of the Company” in this section.

Through identifying, analyzing and responding the risk items (including ESG risks) in the business process of the Company, it ensures its steady and healthy development. In order to quickly identify risks and respond promptly, the management continues to focus on and monitor the operation of risk management and internal control system, and reports the quarterly monitoring results to the Board at least once a quarter. At the same time, in order to refine the management principles and requirements of inside information and its insiders and further improve the Company’s risk management system, the Company had formulated the “Insider Management System” since March 2010 and made the first amendment in March 2012. During the Reporting Period, the Company has not taken any significant risks (including ESG risks) and has no significant monitoring errors or significant monitoring weak spots.

(III) Auditors

The financial statements included in the 2025 Annual Report of the Company were prepared in accordance with the China Accounting Standards for Business Enterprises and the Hong Kong Financial Reporting Standards, respectively, and have been audited by the PRC auditor, ShineWing Certified Public Accountants (Special General Partnership) and the international auditor, PricewaterhouseCoopers respectively. The statements by the auditors on their reporting and auditing responsibilities for the financial statements are set out in the independent auditors’ report contained in this annual report.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The fees paid to the PRC and international auditors by the Group this Year are as follows:

Items ^(Note)	2025			2024	
	ShineWing Certified Public Accountants (Special General Partnership)	BDO China Shu Lun Pan Certified Public Accountants LLP	Pricewaterhouse Coopers	BDO China Shu Lun Pan Certified Public Accountants LLP	Pricewaterhouse Coopers
<i>Fees for audit/review of financial statements (RMB'000)</i>	700	450	1,996	1,150	1,996
<i>Audit fee of internal control (RMB'000)</i>	240	-	-	240	-

Note: Other than the above fees, no other fees were paid by the Company during the Year.

The Company appoints its auditors at general meetings and the auditors appointed by the Company shall hold office until conclusion of the next annual general meeting. To dismiss any auditor during its term of office shall be subject to the consideration and approval at general meetings.

Reference is made to the announcements and circular of the Company dated 10 November 2025, 4 December 2025 and 24 December 2025 in relation to, among other things, the change of the domestic auditor for the year 2025. In light of the Company's business development and overall audit requirements, and after comprehensive evaluation and prudent consideration, as well as full communication between the Company and BDO China Shu Lun Pan Certified Public Accountants LLP, the domestic auditor for the year 2025 has been changed from BDO China Shu Lun Pan Certified Public Accountants LLP to ShineWing Certified Public Accountants (Special General Partnership), which will be responsible for the audit of the 2025 annual financial statements and internal control, with a service term ending on 30 April 2026. On 24 December 2025, the Company convened an extraordinary general meeting at which the resolution was duly considered and approved by way of an ordinary resolution.

During the Year, the Audit Committee has discussed and assessed the professional qualification of PricewaterhouseCoopers and ShineWing Certified Public Accountants (Special General Partnership) and the annual audit for 2025 performed by them, and raised opinions and recommendations in respect thereof.

CORPORATE GOVERNANCE REPORT (CONTINUED)

(IV) Company Secretary

Mr. Yao Jiancheng is the company secretary of the Company in Hong Kong and the secretary to the Board in the PRC.

During the Reporting Period, Mr. Yao Jiancheng has received more than 15 hours of relevant professional training.

(V) Information Disclosure and Investor Relations

Information disclosure

To disclose information in a true, accurate, timely and complete manner is not only the responsibility and obligation of listed companies, but also a channel of communication and understanding between a company and its investors and the public. On the principle of being open, just and fair, during the Reporting Period, the Company complied with the requirements under relevant laws and the Listing Rules on the SSE and the Stock Exchange and fulfilled its statutory disclosure obligations in an honest manner, so as to ensure that all Shareholders enjoy an equal and sufficient access to information, and improve the transparency of the Company.

During the Reporting Period, the Company released 4 periodic reports, 1 ESG report, 116 announcements concerning A Shares and 104 announcements concerning H Shares pursuant to the Listing Rules on the SSE and the Stock Exchange. Announcements concerning A Shares were published on the websites of the SSE and the Company as well as in China Securities Journal and Shanghai Securities News, while those concerning H Shares were published on the websites of the Stock Exchange and the Company. Details of all these announcements are available for inspection on <http://www.sse.com.cn>, <http://www.hkexnews.hk> or the Company's website <http://www.cygs.com>.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Investor relations

The management of the Company attaches great importance to investor relations management. Firstly, in conjunction with the Company's medium and long-term development strategy, the Company has carried out synchronized planning for investor relations management, and included "market value management" as one of the "five core development strategies" in the Company's "14th Five-Year Plan". Secondly, the Company has continued to improve the system construction, revised its Work System of Investor Relations in accordance with the Work Guidelines for the Investor Relations Management of Listed Companies of the China Securities Regulatory Commission to further refine the work requirements, and established the Rules Governing Information Disclosure Matters to regulate the Company's voluntary information disclosure and optimize the management of investor relations. Thirdly, the Company held a market value management work meeting, proposed the establishment of a long-term mechanism to strengthen market value management. Fourthly, the Company has coordinated and deployed the work of organizing and coordinating investor relations management by the secretary to the Board, and the Board office, as a dedicated department for carrying out investor relations work, is equipped with specialized personnel.

During the Reporting Period, on the basis of strictly discharging its obligations in respect of statutory information disclosure, the Company, on the one hand, through various forms of investor relations activities, conveyed information to investors which they were concerned with, increased the transparency of the Company, and enhanced mutual understanding and trust; on the other hand, in delivering information to investors, the Company listened to their advice and collected feedback from them, aiming to form an interactive and mutual beneficial relation between the Company and investors. When the Company conducts its investor relations work, the Board office of the Company undertakes the specific responsibility for investor relations management mainly through: responding to investors' inquiries through the investor hotline, e-mail and network interactive platform in a timely manner; reception of investors and institutions engaged in securities analysis for field research; participating in large-scale investor presentations; hosting results presentations as well as domestic and overseas road shows; publishing information related to the Company's assets, traffic flow, toll income, information disclosure and corporate governance on the Company's website, etc.

The Board was satisfied with the implementation and effectiveness of the above communication methods after conducting an annual review during the Reporting Period.

CORPORATE GOVERNANCE REPORT (CONTINUED)

IV. CONCLUSION

Sound corporate governance goes beyond merely meeting the regulatory authorities' basic requirements for listed companies' operation. More importantly, it fulfills the Company's internal development needs. The Company is committed to continuously enhancing its corporate governance standard. As a listed company with both A Shares and H Shares, we will continue to review and improve the Company's corporate governance practice from time to time in accordance with the regulatory systems in Shanghai and Hong Kong, market trend and feedback from investors to ensure steady development of the Company and continuous increase in Shareholders' value.

REPORT OF THE DIRECTORS

The Board hereby presents its report and the audited financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the investment, construction, operation and management of certain expressway projects in the province, green energy investment business and integrated development of resources along the routes. Details of the principal activities of the subsidiaries of the Company are set out in Note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Year. Particulars of the toll roads managed and operated by the Group during the Reporting Period are as follows:

Toll items	Origin/destination	Approximate length	Date of commencement of official operations of the toll expressway
Chengyu Expressway	Chengdu/Shangjiapo	226 km	7 October 1997
Chengya Expressway	Chengdu/Duiyan	144.1 km	1 January 2000
Chengren Expressway	Jiangjia/Zhichanggou	106.613 km	18 September 2012
Chengle Expressway	Qinglongchang/Guliba	86.4 km	1 January 2000
Chengbei Exit Expressway ^{Note}	Qinglongchang/Baihelin	10.35 km	21 December 1998
Suixi Expressway	Jixiang Town/Taiping Town, Xichong County	67.644 km	9 October 2016
Suiguang Expressway	Jinqiao interchange intersecting Miansui Expressway/Hongtudi interchange	102.941 km	9 October 2016
Second Ring (Western) Expressway	Yongxing Town/Mengyang Town	114.26 km	16 February 2016

Note: The toll collection period of Chengbei Exit Expressway expired at 24:00 on 17 September 2025.

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW

The business review conducted in accordance with the specified items in Schedule 5 of Hong Kong Companies Ordinance includes detailed descriptions of group business, revelation of the possible trend of development of the Group business, the analysis on key financial performance indicators as well as the introduction of the relationships between the Group and its employees, which were respectively included in the following sections of the Annual Report: “Chairman’s Statement”, “Management’s Discussion and Analysis”, “Corporate Governance Report”, “Profile of Directors, Supervisors, Senior Management and Employees”. The aforesaid discussions and analyses shall constitute an integral part of “Report of the Directors”.

The business review conducted in accordance with other specified items in Schedule 5 of the Hong Kong Companies Ordinance includes major risks and uncertainties faced by the Group, major events that produced significant influences on the Group after the close of the Reporting Period, the introduction of the relationships between the Group and its customers and suppliers, the compliance of the Group with influential laws and regulations as well as the environmental policies and performances of the Company, which were included in this “Report of the Directors”.

PRINCIPAL RISKS AND UNCERTAINTIES OF THE COMPANY

The risks faced by an enterprise refer to the impact of future uncertainties on the business objectives to be achieved by the enterprise. The Group is principally engaged in the investment, construction, operation and management of infrastructure such as toll roads. In recent years, with the rapid development and scale expansion of the Group’s business, the risks faced by the Group are also increasing, primarily including policy risks, market risks, financial risks, management risks and others. The Company attaches great importance to the above risks, takes the initiative to identify, evaluate and respond to the risks arising during the course of business, and will gradually establish and improve the systematic risk management mechanism.

REPORT OF THE DIRECTORS (CONTINUED)

1. Policy risks and the corresponding measures

(1) Policy risks

a. *Adjustment to tolling policy*

The earnings of the Company were mainly derived from the operation and investment of toll roads. According to the relevant provisions of the “Highway Law”, the “Regulations on the Administration of Toll Roads” and the “Regulations for Expressways of Sichuan Province”, the expressway company itself does not have the discretion pricing right concerning the tolling standard, the determination and adjustment to the tolling standard of the expressways under its management shall be reported to the provincial competent transportation authority and the pricing authority at the same level for their review and approval. In the event of significant changes in the operating environment, price level and operating costs and other factors, expressway companies could apply for tolling adjustment, but there can be no assurance that the application may be approved in time. In addition, if the government has introduced a new highway toll policy, expressway companies should implement these policies in accordance with the provisions, which in turn to some extent will affect the stability of its operating efficiency.

b. *Restrictions on terms of operation*

According to the provisions of the “Regulations on Administration of Toll Roads”, the tolling terms for toll roads shall be reviewed and approved by the people’s governments of the relevant provinces, autonomous regions or municipalities in accordance with the relevant standards. The term of toll collection of operational roads in central and western provinces, autonomous regions or municipalities designated by the State shall not be more than 30 years.

The terms of toll collections of the existing roads under management by the Group, such as Chengyu Expressway, Chengya Expressway, Chengle Expressway, Chengren Expressway, Suixi Expressway, Suiguang Expressway and Second Ring (Western) Expressway, will expire in 2027, 2029, 2029, 2042, 2046, 2046 and 2046, respectively, and the toll collection of Tianqiong Expressway has not yet commenced at present. Therefore, in the event that the toll collection terms of the Group’s existing expressways expire and the Company has no other newly constructed or acquired operational expressway projects replenish in a timely manner, it will adversely affect the Company’s sustainable business capacity.

REPORT OF THE DIRECTORS (CONTINUED)

c. Adjustment of fee collection method

From 1 January 2020, all the inter-provincial toll stations alongside expressways in China have been removed, the non-stop toll collection system has been officially used, and the significant adjustment of the expressway toll collection mode has brought new challenges to the management of toll roads of the Company. Firstly, at the beginning of the launch of new toll system, there were some technical and operational problems in actual operation process, which tested the performance of the Company's equipment and facilities and the technical level of managers. Secondly, the Company will face the problem of transferring a large number of charging personnel to other posts due to the fact that electronic toll has significantly replaced the manual toll.

(2) Corresponding measures

For policy risks, on the one hand, the Company should take the initiative to strengthen communication with and report to the competent governmental departments, so as to receive the support from the government and understanding of the society; on the other hand, the Company should strengthen its corporate strengths to improve its risk resistance ability. To this end, the Company will consolidate the supporting position of its core business of expressway to promote the continuous growth of asset scale and business with the starting point of "resource integration, asset operation and technology empowerment". The Company will, in accordance with the principle of proactiveness and prudence, make full use of its own advantages in management, technology and other resources to actively study and make an attempt on the industries and businesses related to toll roads and core business of the Company.

REPORT OF THE DIRECTORS (CONTINUED)

2. Market risks and the corresponding measures

(1) Market risks

a. Risks relevant to macroeconomic fluctuation

Expressway transport volume and turnover are highly correlated with GDP. With respect to the expressway, macroeconomic fluctuations will result in changes of the transport capacity (representing the changes in road traffic flow and total amount of charges) required by the economic activities, which will also directly affect the expressway company's operating performance. Although the long-term trend of steady economic development of the PRC will not change, the current economic environment pressure should also be placed great emphasis on. New circumstances and new problems continuously arise in international and domestic economic operations will also be a concern and challenge to the China's economy. These factors will bring uncertainty to the operation of the Group's toll road projects.

b. Risks relevant to road network changes

To accelerate the construction of a comprehensive transport hub in western Sichuan province to build up full-fledged urban transport, the governments and transportation authorities aim to establish a comprehensive and convenient road network through revision and improvement of plans and designs of regional road network as appropriate and the initiatives such as constructing new expressways and fast lines.

According to the Planning of Sichuan Province Expressway Network (2022-2035) 《四川省高速公路網規劃(2022-2035年)》, the expressway mileage in the province will reach 20,000 kilometers (including 600 km of expansion double-line), of which 8,500 km will be national expressways, 11,500 km will be provincial expressways, and 1,700 km will be long-term prospects. After the implementation of the plan, by 2035, the provincial expressway network will be formed with "efficient direct connection of the main axis, smooth access of the two wings, close connection of the three belts, and convenient connection of the three states", and the highway planning density will be increased to 4.11 kilometers per 100 square kilometers to better support economic and social development and fully meet the growing needs of the people for a better life. During the 15th Five-Year Plan period, Sichuan Province will continue to build a modern infrastructure system. It aims to become a national comprehensive three-dimensional transportation hub, promotes the integrated development of the transportation network, logistics network, and digital network, and accelerates the construction of a province with strong transportation networks. Meanwhile, the incremental stimulus generated by competitive or synergistic road network changes and short-term diversion and long-term network effects, to some extent will bring both positive or negative impact on the Group's expressways.

REPORT OF THE DIRECTORS (CONTINUED)

(2) Corresponding measures

For market risks, the Company will continue to track and analyze macroeconomic environment, national policies, as well as the impact of regional economy where the road assets of the Company are located on the business and operation of the Company; the Company will set up appropriate response strategies, striving to reduce the impact of macroeconomic fluctuations on the Company's business activities. Meanwhile, the Company will strengthen the communications with the government and the peers, to timely understand road network planning, project construction progress and subsequent planning adjustment, and carry out network research and analysis in advance, so as to accurately master the traffic trends, improve the quality of road network services and increase inspection efforts to ensure accuracy of operation and development strategic decisions of the Company.

3. Financial risks and the corresponding measures

(1) Financial risks

a. Potential tax risks

The potential tax risks of the Company mainly include two aspects: on one hand, the tax activities of the Company may not comply with the provisions of the tax laws and regulations. The Company may face the risks of paying overdue taxes, fines, overdue fines, or suffering penalties and reputation damage in respect for its unpaid or less paid taxes for the taxable items; on the other hand, the Company may not accurately apply the tax law in business practices. The Company may have paid more taxes or borne unnecessary tax burdens since The Company may have not taken full advantage of relevant preferential policies.

b. Financing risks

With the increased number of investment projects, the investment scale maintaining at a rapid growth, the external financing needs of the Company have gradually increased. Under the current monetary policy, the borrowing costs from domestic commercial banks are relatively higher, and the borrowings are limited by the control of lending scale and investment direction from the banks. In order to meet future development needs and make full use of its own advantages as an A+H share listed company, the Company continues to explore the construction of a multi-level, multi-channel financing model, so to achieve maximum optimization of capital costs and financing structure. Besides, The Company's efforts of exploring new financing methods and channels will inevitably involve a large number of previously unfamiliar regulatory policies, laws and regulations, and the Company may bear relevant risks if it lack expertise in such areas.

REPORT OF THE DIRECTORS (CONTINUED)

(2) Corresponding measures

In view of the potential tax risks, the Company has adopted more effective tax risk prevention measures. Firstly, the Company strengthened its learning about tax laws, regulations and policies, actively seeking for business guidance from tax collection and inspection authorities; secondly, hired tax consulting services agents to provide advice in respect of the Company's tax activities; thirdly, designed control measures for the potential tax risk points, and strengthened the inspection and control of the work process of tax business. In view of the financing risks, the Company has adopted the following risk control measures: firstly, strengthened the training of relevant personnel to guide their continuous learning and growth; secondly, established strategic cooperative partnership with domestic and foreign financial institutions, and ensured mutual benefit and win-win results through long-term stable cooperation; thirdly, appointed intermediaries when necessary to provide professional advice on the Company's financing decisions and implementation of financing programs.

4. Management risks and the corresponding measures

(1) Management risks

a. Daily operational risks and natural disaster risks

After the completion and opening of the expressways, regular maintenances of the road are needed to ensure good road condition. In case of large repair area or long maintenance time, traffic flow will be affected. In our operation, in the event of floods, landslides, earthquakes and other unforeseen natural disasters, expressways are likely to be seriously damaged and cannot work normally for a period of time. In case of fog, severe snow and ice, the expressway will be partially or even completely closed for a short period of time. Serious traffic accidents may cause traffic jams, weaken the traffic capacity or damage roads or bridges. The emergence of these situations will directly lead to the reduction in toll revenue and increase in maintenance costs, thus affecting the operation of expressway companies.

REPORT OF THE DIRECTORS (CONTINUED)

b. Investment risks of expressway projects

The expressway industry features large investments and long payback periods. It is a typical capital-intensive industry. Therefore, the investment strategy and decision of the project are the key factors to determine the asset quality and profit level of the Company. The Group regularly reviews and adjusts its investment strategies and utilizes external professional reports such as Feasibility Study Report, Traffic Volume Forecast and Valuation Report to maximize the quality of project evaluation. However, due to the complexity of the external environment, when the main assumptions or basic data of the project changes, the actual results of project investment may not meet our projections.

(2) Corresponding measures

In view of the above management risks, the Company has continued and will continue to take the following preventive and responding measures: strengthen the preventative maintenance and repairment of roads and reasonably arrange for the implementation of the project; effectively carry out comprehensive management measures by virtue of traffic law, expressway traffic police and the Company's road asset management; strengthen road inspection under adverse weather conditions and ensure good road condition as well as safe and smooth traffic condition; vigorously implement the collection, research, demonstration and reserve work of high-quality projects, make timely adjustment of the project investment strategy, and create more sustainable growth points for the Group; continue promoting internal control system within the Group and improving the standardization and refinement level of the Group's management while strengthening the implementation efficiency and innovation ability, so as to enhance the comprehensive management ability.

IN COMPLIANCE WITH THE APPLICABLE LAWS AND REGULATIONS

The business of the Group is mainly conducted by the subsidiaries of the Company in Mainland China. The Company is listed on the SSE and the Stock Exchange. Within the year of 2016, the Company successfully acquired 100% of the shares of CSI SCE (incorporated in Hong Kong), therefore, the Group shall comply with relevant laws and regulations in Mainland China, Hong Kong and the respective places of incorporation of the Company and its subsidiaries.

During the Year and up to the date of this annual report, the Board was unaware of any non-compliance with relevant laws and regulations that has a significant impact on the business and operations of the Group.

REPORT OF THE DIRECTORS (CONTINUED)

ENVIRONMENTAL POLICIES AND PERFORMANCES

The Board highly values the relevant ESG matters, approved and established the Group's ESG work leading group. The Board supervises the matters related to ESG (including the Group's ESG management principles, development strategies and supervision of relevant objectives) through the leading group.

The chairman of the Company shall be the leader of the leading group. The vice chairman and the general manager of the Company shall be the deputy leaders. The other members of the management of the Company shall be the members of the leading group, and shall conduct comprehensive management over the ESG work of the Group:

- to review the updates and prioritization of the Company's material issues and monitor the management of the issues;
- to consider the ESG-related risks and uncertainties faced by the Company;
- to review and approve ESG goal setting and continuously monitor progress towards achieving the goals.

The leading group has established the ESG office, the director of which shall be served by the director of the Board office of the Company, the members of which shall be comprised of the persons in charge of all departments of the parent company of the Company, primarily being responsible for and coordinating the specific matters and daily management of ESG works:

- to establish a complete ESG data ledger and conduct the quantitative and qualitative statistical analysis;
- to set up ESG work objective, and improve ESG performance;
- to complete ESG work conclusion and data archiving of relevant businesses;
- to guide the implementation of the relevant ESG work of the branches and all subsidiaries;
- to report the work to the leading group.

REPORT OF THE DIRECTORS (CONTINUED)

During the Reporting Period, the Company reconstituted the Strategic Committee as the Strategy and Sustainable Development Committee, enhancing its role in guiding and managing the Company's ESG and other sustainable development matters to promote deeper integration of ESG with corporate strategy.

In addition, the persons in charge of branches and all subsidiaries under the Company shall be the first responsible person of their respective ESG work. The branches and all subsidiaries shall establish the corresponding governance structure and comprehensively strengthen the ESG work with reference to the governance structure of ESG work of the parent company of the Company.

The "Environmental, Social and Governance Report" required by the Listing Rules will be published together with the Company's annual report. For details about the environmental policy and performances, please refer to the "2025 Environmental, Social and Governance Report", and please contact the Company if a hard copy is required.

CHARITABLE DONATION

During the Reporting Period, the Group had no funds and materials for charity and social benefit.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2025 and the financial conditions of the Company and the Group at that date are set out in the audited financial statements on pages 143 to 151 herein.

Pursuant to the Articles of Association, if the Company distributes cash dividend, the Company shall distribute cash dividend in an amount not less than 30% of the distributable profit earned by the Company for the period concerned, based on the lower of the Company's profits determined under the following generally accepted accounting principles:

- the accounting principles and the relevant financial regulations applicable to joint-stock companies with limited liabilities established in the PRC ("PRC GAAP"); and
- Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance.

REPORT OF THE DIRECTORS (CONTINUED)

The Board has recommended a final cash dividend for the year 2025 of RMB0.297 per share of ordinary shares (tax inclusive), aggregating to approximately RMB908,244 thousand and representing 65.38% of the distributable profit of the Company determined under PRC GAAP for the year and 60.02% of the profit attributable to owners of the Company as shown in the consolidated statements (determined under PRC GAAP).

The proposed dividend distribution is subject to the approval of the Shareholders at the Company's forthcoming 2025 AGM. If approved, the final dividend is expected to be paid on or around Monday, 13 July 2026 to the Shareholders whose names appear on the H Shares register of members of the Company on Friday, 12 June 2026 (the "Dividend Entitlement Date"). In respect of the arrangement in relation to the closures of H Shares register of members for the purposes of determining the Shareholders' entitlement to attend the 2025 AGM and to receive the proposed 2025 final dividend, please refer to the paragraph headed "CLOSURES OF REGISTER OF MEMBERS OF H SHARES" below.

This proposed final dividend is set out in Note 12 to the financial statements.

According to the Law on Corporate Income Tax of the People's Republic of China and its implementing rules which has come into effect since 1 January 2008 and other relevant rules, a PRC domestic enterprise which pays dividend to a non-resident enterprise Shareholder in respect of accounting period beginning from 1 January 2008 shall withhold and pay enterprise income tax at the rate of 10%. The Company, as a PRC domestic enterprise, is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise Shareholders as appearing on the H Shares register of members of the Company. Any Shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise Shareholders and therefore will be subject to the withholding and paying of the corporate income tax by the Company.

Should the holders of H Shares have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax impact in the PRC, Hong Kong and/or other countries (regions) on the possession and disposal of the H Shares.

Shareholders should read the information herein carefully. If anyone would like to change the identity of Shareholder, please enquire about the relevant procedures with the nominees or trustees. The Company is neither obligated nor responsible for ascertaining the identity of the Shareholders. In addition, the Company will withhold and pay the corporate income tax in strict compliance with the relevant regulations or provisions and strictly based on what has been registered on the Company's H Shares register of members as at the Dividend Entitlement Date. The Company will disregard and assume no liabilities for any requests or claims in relation to any delay or inaccuracy in ascertaining the identity of the Shareholders or any disputes over the mechanism of withholding and paying corporate income tax.

REPORT OF THE DIRECTORS (CONTINUED)

Shareholders are advised that the aforesaid arrangements are not applicable to the arrangements for distribution of the final dividend in respect of A Shares of the Company, which however will be published in a separate announcement on the SSE by the Company.

DISTRIBUTION OF DIVIDENDS TO INVESTORS UNDER SOUTHBOUND TRADING LINK

According to relevant requirements in the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號) and the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號) and, individual income tax at the rate of 20% shall be withheld by H Share companies from dividends received from investments in H Shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect by individuals and securities investment funds from Mainland China (excluding enterprise investors from Mainland China, which shall be declared and paid by themselves).

An agreement has been entered into between the Company and China Securities Depository and Clearing Corporation Limited regarding the dividend distribution arrangements to the H Share investors of the Company through Southbound Trading Link under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, pursuant to which, China Securities Depository and Clearing Corporation Limited, as the nominal holder of H Shares for Southbound Trading Link, will receive cash dividend declared by the Company and distribute them to relevant investors under Southbound Trading Link through its registration and settlement system. Cash dividend received by investors under Southbound Trading Link shall be settled in RMB. The Dividend Entitlement Date, cash dividend payment date and other time arrangements for investors under Southbound Trading Link shall be in line with that of Shareholders of H Shares of the Company.

Shareholders are advised to note that the aforesaid arrangements are not applicable in relation to the time and the arrangements for distribution of the final dividend in respect of A Shares of the Company, which however will be published in a separate announcement at the SSE by the Company.

REPORT OF THE DIRECTORS (CONTINUED)

SUMMARY FINANCIAL INFORMATION

The data for 2021 to 2025 below is a summary of the published results, assets and liabilities and non-controlling interests of the Group for the last two financial years, as extracted from the audited financial statements, and restated/reclassified as appropriate. The data for 2021 to 2022 below is a summary of the results, assets and liabilities and non-controlling interests of the Group's consolidated financial data restated but unaudited and on which the auditor has not expressed an opinion. This summary does not form part of the audited financial statements.

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000 (restated)	2021 RMB'000 (restated)
RESULTS					
Profit before tax	1,903,050	1,870,434	1,569,308	927,041	2,195,803
Income tax expense	(355,437)	(330,909)	(302,540)	(247,880)	(323,979)
PROFIT FOR THE YEAR	1,547,613	1,539,525	1,266,768	679,161	1,871,824
Other comprehensive income/ (loss), net of tax	7,517	16,094	(4,369)	11,772	203,171
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,555,130	1,555,619	1,262,399	690,933	2,074,995
Profit attributable to:					
Owners of the Company	1,515,006	1,449,447	1,190,814	626,897	1,791,664
Non-controlling interests	32,607	90,078	75,954	52,264	80,160
	1,547,613	1,539,525	1,266,768	679,161	1,871,824
Comprehensive income attributable to:					
Owners of the Company	1,521,503	1,465,201	1,186,499	639,135	1,995,699
Non-controlling interests	33,627	90,418	75,900	51,798	79,296
	1,555,130	1,555,619	1,262,399	690,933	2,074,995

REPORT OF THE DIRECTORS (CONTINUED)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000 (restated)	2022 RMB'000 (restated)	2021 RMB'000 (restated)
Total assets	63,810,274	61,032,031	57,640,787	56,199,140	57,046,865
Total liabilities	42,561,795	(41,536,405)	(40,967,506)	(34,588,353)	(35,572,164)
Non-controlling interests	1,097,022	(1,091,456)	(999,963)	(915,162)	(1,083,466)
Equity attributable to owners of the Company	20,151,457	18,404,170	15,673,318	20,695,625	20,391,235

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 14 to the financial statements, which constitutes part of the Report of the Directors.

SHARE CAPITAL

There were no movements in either the Company's registered or issued share capital during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the PRC which would oblige the Company to offer new shares on a pro rata basis to the existing Shareholders.

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries repurchased, redeemed or sold any of the Company's listed securities during the Year.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in Note 31 to the financial statements and in the consolidated statement of changes in equity, respectively.

REPORT OF THE DIRECTORS (CONTINUED)

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, calculated in accordance with HK GAAP amounted to RMB8,392,278,000.

The Company's distributable reserves as at 31 December 2025 determined under HK GAAP were lower than those determined under PRC GAAP. In addition, in accordance with the Company Law, the Company's share premium account, in the amount of RMB2,654,600,000 may be distributed in the form of bonus shares.

MAJOR CUSTOMERS

The combined revenue attributable to the five largest customers of the Group accounted for less than 30% of the total revenue of the Group during the Year.

SERVICE VENDORS

Sound relationships with key service vendors of the Group are important in supply chain, premises management and meeting business needs, which can derive cost effectiveness and foster long term business benefits. The key service vendors comprise equipment vendors, construction material vendors, oil products vendors, external consultants which provide professional services and other business partners which provide value-added services to the Group.

Total purchases attributable to the top five service vendors and the proportion over total purchases for the year are listed as below:

No.	Name	Purchase amount <i>RMB'000</i>	Percentage over the annual purchase <i>(%)</i>
1	PetroChina Company Limited	931,331	22
2	Sichuan Transportation Construction Group Co., Ltd.	725,953	17
3	Sichuan Road & Bridge (Group) Corporation Ltd.	423,600	10
4	China Petroleum Northwest China Sales Chuanyu Branch (中化石油川渝有限公司)	381,204	9
5	Sinopec Sales Company Limited (中國石化銷售股份有限公司)	285,520	7
Total		2,747,608	65

During the Year, none of the Directors and Supervisors or their close associates, or Shareholders who, to the best knowledge of the Directors and Supervisors own more than 5% of the issued share capital of the Company, have any actual interests in the top five service vendors of the Group.

REPORT OF THE DIRECTORS (CONTINUED)

During the Year and as of 30 March 2026, the Directors of the Company were:

Executive Directors:

Mr. Luo Zuyi
Mr. You Zhiming
Madam Ma Yonghan (*resigned on 29 January 2026*)
Mr. Yao Jiancheng (*appointed on 9 January 2025*)
Madam Mao Yurong

Non-executive Directors:

Mr. Yang Shaojun
Mr. Li Chengyong
Mr. Chen Chaoxiong (*resigned on 10 February 2026*)

Independent Non-executive Directors:

Mr. Yu Haizong
Madam Bu Danlu (*resigned on 24 December 2025*)
Mr. Zhou Hua
Mr. Jiang Tao
Mr. Luo Hong (*appointed on 24 December 2025*)

Employee Director:

Madam Li Tao (*appointed on 25 March 2026*)

All the members of the Board were appointed for a term of three years from the date of 18 November 2022 until expiry of the eighth session of the Board. The term of the eighth session of the Board expired on November 17, 2025. As the preparation for the election of the new session of the Board is still underway, and in order to ensure the continuity and stability of the Company's governance, the election of the new session of the Company's Board has been postponed. Until the election of the new session of the Board is completed, all directors of the Company's eighth session of the Board will continue to perform their corresponding duties in accordance with relevant laws, regulations and the Articles of Association.

The Company has received from each independent non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and the senior management of the Group are set out under Section VIII of "Profile of Directors, Senior Management and Employees" of the annual report, which constitutes part of the Report of the Directors.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors of the Company has entered into a service contract with the Company from their respective date of appointment for a term of three years. None of the Directors of the Company has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SUPERVISORS' INTERESTS IN MAJOR CONTRACTS

None of the Directors and Supervisors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Year.

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, there were no interests and short positions held by Directors and chief executives of the Company in Shares, underlying shares or bonds of the Company or its associated corporation (as defined in Part XV of the SFO) that, by virtue of Parts 7 and 8 of the SFO, which shall be reported to the Company and the Stock Exchange (including interests and short positions, by virtue of the SFO or other regulations, deemed to be or treated as held by these Directors and chief executives); or any interests or short positions that shall be recorded in the register required to be kept under Section 352 of the SFO; or interests or short positions that, by virtue of Model Code as set out in Appendix C3 to the Listing Rules on the Stock Exchange, shall be notified to the Company and the Stock Exchange.

MANAGEMENT CONTRACTS

Save for service contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into during the Year.

DIRECTORS' REMUNERATION

The remuneration of the Directors of the Company (including executive Directors and independent non-executive Directors) on a named basis is set out in Note 10 to the financial statements during the Year, which constitutes part of the Report of the Directors.

INDEMNITY PROVISION

Since March 2012, the Company has purchased liability insurance for Directors, Supervisors and senior management of the Company in relation to their performance of duties.

REPORT OF THE DIRECTORS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, the following interests and short position of the Shares and underlying shares of the Company held by substantial Shareholders or other persons (other than the Directors and chief executives of the Company) were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange are set out below:

Name	Class of Shares	Long position/ Short position	Number of the Company's Shares held	Approximate percentage in the total issued share capital of the Company	Approximate percentage in A/H Shares	Capacity
Shudao Investment	A Shares	Long position	1,035,915,462	33.87%	47.90%	Beneficial owner
	H Shares	Long position	183,064,200	5.99%	20.45%	Beneficial owner
		Total:	1,218,979,662	39.86%	–	Beneficial owner
China Merchants Expressway Company	A Shares	Long position	664,487,376	21.73%	30.72%	Beneficial owner
	H Shares	Long position	96,458,000 ^(Note)	3.15%	10.77%	Interest in controlled corporation
		Total:	760,945,376	24.88%	–	
E Fund Management Co., Ltd.	A Shares	–	–	–	–	–
	H Shares	Long position	45,964,000	1.50%	5.13%	Beneficial owner
		Total:	45,964,000	1.50%	–	Beneficial owner
Guangdong Junzhijian Investment Management Co., Ltd.	A Shares	–	–	–	–	–
	H Shares	Long position	45,786,000	1.50%	5.11%	Beneficial owner
		Total:	45,786,000	1.50%	–	Beneficial owner

Note: Cornerstone Holding Limited, a wholly-owned subsidiary of China Merchants Expressway Company, is interested in the H Shares of the Company. By virtue of the SFO, China Merchants Expressway Company is therefore deemed to be interested in such Shares held by Cornerstone Holding Limited.

REPORT OF THE DIRECTORS (CONTINUED)

Save as disclosed above, as at 31 December 2025, no person had registered an interest or short position in the Shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year and up to the date of this report, none of the Directors of the Company were considered to have any interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined under the Listing Rules on the Stock Exchange.

CONTINUING CONNECTED TRANSACTIONS

During the Year, the Company and the Group had the following continuing connected transactions with parties regarded as connected persons under Chapter 14A of the Listing Rules on the Stock Exchange:

- (a) On 14 October 2022, the Company entered into the Road Network Operation Guarantee Services Agreement with Zhineng Company for a term of 3 years from 1 November 2022 to 31 October 2025, with a service charge of 0.4% of toll income or RMB35,000,000, whichever is lower. As the above contract expired on 31 October 2025, on 30 October 2025, the Company renewed the Road Network Operation Guarantee Services Agreement with Zhineng Company, for a term of 3 years from 1 January 2026 to 31 December 2028, with a service charge of 0.4% of toll income or RMB35,000,000 per annum, whichever is lower. Zhineng Company will be responsible for managing the floating service fee and vehicle toll settlement time of the Group's expressways based on the safety and service quality assessment scores (assessed by the government). The service fee the Group paid to Zhineng Company during the Year totalled approximately RMB11,501,000 (2024: RMB19,241,000). Zhineng Company is directly and indirectly held as to 73.5% by Shudao Investment and is a subsidiary of Shudao Investment, which in turn is the controlling shareholder of the Company.

REPORT OF THE DIRECTORS (CONTINUED)

- (b) As the previous refined oil framework agreement entered into between Zhonglu Energy, a subsidiary of the Company and PetroChina Company Limited Sichuan Sales Branch (“PetroChina Sichuan Sales Branch”) on 12 December 2023 was expired on 31 December 2024, on 3 December 2024, Zhonglu Energy and PetroChina Sichuan Sales Branch entered into the Refined Oil Agreement, pursuant to which Zhonglu Energy agreed to purchase refined oil from PetroChina Sichuan Sales Branch for the year from 1 January 2025 to 31 December 2025, with the annual cap being RMB1,490,000,000. Purchase amount recognised during the Year was approximately RMB931,331,000 (2024: RMB1,396,172,000), which was below the cap amount of RMB1,490,000,000. On 24 December 2025, Zhonglu Energy and PetroChina Sichuan Sales Branch agreed to renew the transaction terms. Zhonglu Energy agreed to purchase refined oil from PetroChina Sichuan Sales Branch for the year from 1 January 2026 to 31 December 2026, with the annual cap being RMB1,400,000,000. PetroChina Company Limited Sichuan Sales Branch is a subsidiary of PetroChina Company Limited (中國石油天然氣股份有限公司), which holds 49% equity interest in Zhonglu Energy and is a substantial shareholder of the subsidiary. Accordingly, PetroChina Company Limited and its branch, PetroChina Sichuan Sales Branch, are connected persons at the subsidiary level of the Company.

REPORT OF THE DIRECTORS (CONTINUED)

- (c) On 31 December 2024, the Company entered into the Property Management Services Framework Agreement with Sichuan Shudao Property Service Group Co., Ltd. (“Shudao Property”), Shudao Property Group will provide property management services to the Group for the period from 1 January 2025 to 31 December 2027, with the annual caps for the three financial years ended 31 December 2025, 2026 and 2027 each being RMB60,000,000, respectively. The total service fee recognised for 2025 amounted to RMB35,332,000, which was below the annual transaction cap of RMB60,000,000 for the year. Shudao Property is an indirectly wholly-owned subsidiary of Shudao Investment, which is the controlling shareholder of the Company.
- (d) On 20 November 2024, the Company and Shudao Investment, the controlling shareholder, entered into the continuing connected transaction – Construction and Related Services Framework Agreement, pursuant to which, Shudao Group contracted certain construction services from the Group for the period from 1 January 2025 to 31 December 2025, with an annual cap of RMB2,503,000,000. Related party transaction amounts recognised in this year are as below: During the Year, Shudao Group was engaged by the Group to undertake various construction work of expressways and ancillary facilities, daily maintenance work of expressways and ancillary facilities, emergency or rescue work of expressways and ancillary and municipal construction work. Construction revenue recognised during the Year amounted to RMB1,450,352,000 (2024: RMB1,311,538,000), which was below the annual cap amount of RMB2,503,000,000.

As the construction and related services framework agreement entered into between the Company and Shudao Investment on 20 November 2024 expired on 31 December 2025, the Company and Shudao Investment entered into a framework agreement for construction work and related services on 30 October 2025, pursuant to which, Shudao Investment Group shall contract certain construction work and related services from the Group for the period from 1 January 2026 to 31 December 2026 and the annual cap was RMB2,825,000,000.

The independent non-executive Directors of the Company have reviewed the continuing connected transactions set out above and have confirmed pursuant to Rule 14A.55 of the Listing Rules on the Stock Exchange that these continuing connected transactions were entered into (i) in the ordinary and usual course of businesses of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

REPORT OF THE DIRECTORS (CONTINUED)

In accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised), “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” as issued by the HKICPA, PricewaterhouseCoopers, the auditor of the Company, has sent a letter to the Board based on its review of the above-mentioned continuing connected transactions, expressing the following opinions in respect of the disclosed continuing connected transactions:

- a. nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company’s Board of Directors;
- b. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- c. nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- d. with respect to the aggregate amount of each of the above continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

CONNECTED TRANSACTIONS

Further details of the Group’s connected transactions during the Year are included in Note 35 to the financial statements.

1. Chengya Expressway Expansion Project

In order to meet the demands of regional socioeconomic development and increased traffic and to reinforce the core position of Chengya Expressway as a significant source of toll income for the Company, the Board resolved on 17 July 2025 to bid for the Chengya Expressway Expansion Project.

REPORT OF THE DIRECTORS (CONTINUED)

On 22 July 2025, the consortium which the Company leads is the first winning candidate of the project. The Company, China Huashi, Transportation Construction Group, Road & Bridge Group and Gaolu IT entered into the cooperation agreement to establish the project company for the development of the Chengya Expressway Expansion Project. As for the transaction contemplated under the cooperation agreement, Transportation Construction Group, Road & Bridge Group and Gaolu IT are indirect non-wholly owned subsidiaries of Shudao Investment, the controlling Shareholder of the Company. Accordingly, Transportation Construction Group, Road & Bridge Group and Gaolu IT are connected persons of the Company.

In respect of the project company, the investors' capital commitment will be RMB5.767 billion (which represents 20.2% of the total investment amount of the Chengya Expressway Expansion Project, as required by the tender document and determined by the parties), of which, RMB4.902 billion will be contributed in cash by the Company, representing 85% of the investors' capital commitment. Pursuant to the Cooperation Agreement, the total registered capital of the project company will be RMB100 million (which represents approximately 1.73% of the investors' capital commitment as above-mentioned, as determined by the parties), of which, RMB85 million will be contributed in cash by the Company, representing 85% of the total registered capital of the project company. An extraordinary general meeting of the Company was held on 13 August 2025 to consider and approve the Cooperation Agreement and the transactions contemplated thereunder.

On 17 October 2025, Chengya Expressway Company entered into the Huashi Construction Contract (the Construction Contract of the Expansion Project for the Chengdu-Ya'an Section of G5 Jingkun Expressway (Main Line: K80+340~K99+000)) with China Huashi in relation to the construction of the Chengya Expressway Expansion Project. On 10 November 2025, Chengya Expressway Company entered into the Transportation Construction Contract (the General Construction Contract of the Expansion Project for the Chengdu-Ya'an Section of G5 Jingkun Expressway (Main Line: K12+000~K30+435, K44+100~K80+340, K99+000~K146+240; Lushan Branch Line: K14+600~K24+495; Train Station Connecting Line: LK0+000~LK4+985)) with Transportation Construction Group; the Road & Bridge Construction Contract (the General Construction Contract of the Expansion Project for the Chengdu-Ya'an Section of G5 Jingkun Expressway (Main Line: K30+435~K44+100 and Lushan Branch Line: K0+000~K14+600)) with Road & Bridge Group; and the Gaolu Construction Contract (the General Construction Contract for the Expansion Project for the Chengdu-Ya'an Section of G5 Jingkun Expressway (Entire Line)) with Gaolu IT, respectively. The maximum limit of each the aforementioned construction contracts is as follows: (1) Huashi Construction Contract: RMB2,075,319,898; (2) Transportation Construction Contract: RMB13,130,759,190; (3) Road & Bridge Construction Contract: RMB3,907,489,567; (4) Gaolu Construction Contract: RMB855,828,581. An extraordinary general meeting of the Company was held on 24 December 2025 to consider and approve the construction contracts and the transactions contemplated thereunder.

REPORT OF THE DIRECTORS (CONTINUED)

The Chengya Expressway Expansion Project extends approximately 159.115 km in total length, with an estimated total investment of approximately RMB28,548 million (subject to the final amount approved by the competent PRC governmental authorities). The project company was incorporated on 13 August 2025 with a registered capital of RMB100 million.

2. Flotation Phosphate Concentrate Transportation Contract

On 28 August 2025, Chengyu Logistics, an indirect wholly-owned subsidiary of the Company, entered into the Flotation Phosphate Concentrate Transportation Contract with Hongda, with the term from 29 August 2025 to 31 July 2026. Chengyu Logistics Company will provide flotation phosphate concentrate transportation services to Hongda in the following three regions: from the Xinyue Village cargo yard in Jinkouhe District (Sichuan Shangzhou Industrial Co., Ltd. (四川商舟實業有限公司)) to Hongda (Region I); from the Suba cargo yard in Mabian County (Mabian Southern Mining Co., Ltd. (馬邊南方礦業有限公司)) to Hongda (Region II); from the Tieren Company site in Jinkouhe District (Leshan Tuoda Mining Co., Ltd. (樂山拓達礦業有限公司)) to Hongda (Region III), with the estimated total service fee capped at RMB61.2 million.

Shudao Investment is the controlling Shareholder of the Company, while Hongda is held as to 41.49% by Shudao Investment and is therefore an associate of Shudao Investment. Accordingly, Hongda is a connected person of the Company.

3. Sand and Gravel Procurement Contract

On 22 October 2025, in order to facilitate Tianmeile expressway project, Xingshu Supply Chain Company, an indirect non-wholly-owned subsidiary of the Company, entered into the Sand and Gravel Procurement Contract (from 22 October 2025 until the completion date of Tianmei-Le LM3 Project) with the Purchaser (LM Project Management Department of the Tianmei-Le Expressway Project of Jiaojian Lingzhou Construction), pursuant to which Xingshu Supply Chain Company shall supply manufactured sand, crushed stone and other sand and gravel materials to it; the final supply volume shall be based on the quantity accepted and confirmed by the Purchaser, and the total transaction amount is expected not to exceed RMB100 million (tax inclusive).

Jiaojian Lingzhou Construction is a non-wholly-owned subsidiary indirectly held by Shudao Investment, the controlling Shareholder of the Company. Therefore, Jiaojian Lingzhou Construction is an associate of Shudao Investment and is a connected person of the Company.

REPORT OF THE DIRECTORS (CONTINUED)

4. Temporary Road Property Occupation Compensation Agreement

On 10 November 2025, Chengle Company, a wholly owned subsidiary of the Company, entered into the Temporary Road Property Occupation Compensation Agreement with Chengdu West Rim Expressway Company, for facilitating the Chengle Expressway Expansion Construction Project. Pursuant to this agreement, regarding the temporary occupation of the road for the ring expressway hub interchange project involving Chengdu Ring Expressway (G4202) of the G0512 Chengdu-Leshan Expressway expansion project, Chengle Company will pay a road property occupation compensation fee of RMB6,572,546.25 (tax inclusive) to Chengdu West Rim Expressway Company to compensate for the loss arising from the road property of Chengdu West Rim Expressway Company during the implementation of the above project.

Chengdu West Rim Expressway Company is an indirect non-wholly owned subsidiary of Shudao Investment, the controlling Shareholder of the Company. Therefore, Chengdu West Rim Expressway Company is an associate of Shudao Investment and a connected person of the Company.

5. The Acquisition of 85% Equity Interest in Jingyi Expressway Company

On 19 December 2025, Shunan Company, a wholly owned subsidiary of the Company, entered into the Equity Transfer Agreement with Shudao Innovation Investment, pursuant to which, Shunan Company conditionally agreed to purchase, and Shudao Innovation Investment conditionally agreed to sell, 85% equity interest in Jingyi Expressway Company at a consideration of RMB2,409,421,220. On 30 January 2026, the Company held an extraordinary general meeting to consider and approve the relevant resolutions relating to this acquisition. As of 2 March 2026, Shunan Company has completed the equity transfer procedures, and Jingyi Expressway Company has become its controlled subsidiary. Its financial statements have been formally included in the Company's consolidated financial statements. This acquisition will enable the Company to increase its holdings of expressway projects, further expand its asset scale, and leverage economies of scale. At the same time, it will enhance the Company's road network scale, effectively improve its capacity for sustainable development, and promote the optimization of the Company's asset structure while strengthening its core competitiveness. Shudao Investment (the controlling Shareholder of the Company) collectively holds 100% equity interest in Shudao Capital through itself and its two other wholly-owned subsidiaries, and Shudao Capital holds 100% equity interest in Shudao Innovation Investment. Therefore, Shudao Innovation Investment is a connected person of the Company.

REPORT OF THE DIRECTORS (CONTINUED)

DETAILS OF PERFORMANCE COMMITMENT/GUARANTEED PROFITS UNDER RULE 14A.63 OF THE LISTING RULES ON THE STOCK EXCHANGE

1. The Acquisition of 100% Equity Interest in Rongcheng Second Ring Company

In relation to the acquisition of 100% equity interest in Rongcheng Second Ring Company, pursuant to the equity transfer agreement entered into among the Company (as the purchaser), Shudao Expressway and SRB Group (jointly as the vendors) and Shudao Investment (as the performance guarantor of the Rongcheng Second Ring Company together with Shudao Expressway) on 17 February 2023, from 1 January 2023 to 31 December 2029, Shudao Expressway and Shudao Investment are subject to a performance commitment in respect of the net profit of Rongcheng Second Ring Company, and if the actual realised net profits do not reach the valuation projection underlying the valuation, performance compensation shall be made to the Company in cash. From 1 January 2023 to 31 December 2025, guaranteed profit was not less than RMB231,177,770. Details are set out in the Company's circular dated 10 March 2023.

Pursuant to the equity transfer agreement, Shudao Expressway and Shudao Investment shall made performance compensation to the Company in cash, if the actual net profits realised by Rongcheng Second Ring Company do not reach the relevant guaranteed profit. It is agreed that the compensation amount for the years from 2023 to 2025 shall be calculated and paid in a lump sum.

The financial statements of Rongcheng Second Ring Company for 2023 and 2025 were audited by ShineWing Certified Public Accountants (Special General Partnership), and the financial statements for 2024 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP. According to the Special Audit Report on the Performance Commitment Fulfillment of Sichuan Rongcheng Second Ring Expressway Development Co., Ltd. issued by ShineWing Certified Public Accountants (Special General Partnership), the subject company achieved an aggregate net profit of RMB237,319,500 from 2023 to 2025, exceeding the committed amount, thus fulfilling its performance commitment for the period from 2023 to 2025.

REPORT OF THE DIRECTORS (CONTINUED)

2. The Acquisition of 85% Equity Interest in Jingyi Expressway Company

In relation to the acquisition of 85% equity interest in Jingyi Expressway Company by Shunan Company, a wholly-owned subsidiary of the Company, pursuant to the equity transfer agreement entered into between Shunan Company (as the purchaser) and Shudao Innovation Investment (as the vendor and performance guarantor of Jingyi Expressway Company) on 19 December 2025, from 1 January 2026 to 31 December 2028, Shudao Innovation Investment provides a performance guarantee for the annual net profit (excluding extraordinary gains and losses) of Jingyi Expressway Company. If the actual audited net profit (excluding extraordinary gains and losses) realized by Jingyi Expressway Company in each year fails to reach the guaranteed amount, Shudao Innovation Investment shall compensate Shunan Company in cash for the performance shortfall. In particular, from 1 January 2026 to 31 December 2026, guaranteed net profit (excluding extraordinary gains and losses) shall not less than RMB235,055,967.05; from 1 January 2027 to 31 December 2027, guaranteed net profit (excluding extraordinary gains and losses) shall not less than RMB246,808,308.53; and from 1 January 2028 to 31 December 2028, guaranteed net profit (excluding extraordinary gains and losses) shall not less than RMB269,908,801.85. Details are set out in the Company's circular dated 12 January 2026.

The Board (including all the independent non-executive Directors) is of view that the aforesaid arrangements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The related party transactions as set out in the note 34(c) to the financial statements in the Group's 2024 annual report (except for items (iv), (vi)) and the related party transactions as set out in the note 35(c) to the financial statements in the Group's 2025 annual report (except for items (iv), (vi)) constitute connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules of the Stock Exchange and comply with the disclosure requirements of Chapter 14A of the Listing Rules of the Stock Exchange.

REPORT OF THE DIRECTORS (CONTINUED)

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

Changes in Directors

Reference is made to the announcement of the Company dated 29 January 2026 regarding the resignation of an executive Director and the chief financial controller. Due to work re-arrangement, Madam Ma Yonghan has resigned from her position as an executive Director of the Company.

Reference is made to the announcement of the Company dated 10 February 2026 regarding the resignation of a non-executive Director. Due to reaching the retirement age, Mr. Chen Chaoxiong has resigned from his positions as a non-executive Director and a member of the Remuneration and Appraisal Committee of the Company.

Reference is made to the announcement of the Company dated 25 March 2026 regarding the election of employee Director, the Company's employee representative meeting elected Madam Li Tao as the Company's employee Director.

As the eighth session of the Board of the Company has expired, on 2 April 2026, the Company held a Board meeting, and considered and approved the proposal regarding the nomination of candidates for the ninth session of the Board. The Company will convene a Shareholders' meeting on 29 April 2026 to elect the members of the ninth session of the Board. Details are set out in the Company's circular dated 9 April 2026.

Changes of Senior Management

On 29 January 2026, due to work re-arrangement, Mr. Guo Renrong resigned from his position as the chief financial controller of the Company.

On 10 February 2026, the Board considered and approved the appointment of Madam Zhou Jing as the chief financial controller of the Company.

REPORT OF THE DIRECTORS (CONTINUED)

The Acquisition of 85% Equity Interest in Jingyi Expressway Company

On 19 December 2025, Shunan Company, a wholly owned subsidiary of the Company, entered into the Equity Transfer Agreement with Shudao Innovation Investment, pursuant to which, Shunan Company conditionally agreed to purchase, and Shudao Innovation Investment conditionally agreed to sell, 85% equity interest in Jingyi Expressway Company at a consideration of RMB2,409,421,220. On 30 January 2026, the Company held an extraordinary general meeting to consider and approve the relevant resolutions relating to this acquisition. As of 2 March 2026, Shunan Company has completed the equity transfer procedures, and Jingyi Expressway Company has become its controlled subsidiary. Its financial statements have been formally included in the Company's consolidated financial statements. This acquisition will enable the Company to increase its holdings of expressway projects, further expand its asset scale, and leverage economies of scale. At the same time, it will enhance the Company's road network scale, effectively improve its capacity for sustainable development, and promote the optimization of the Company's asset structure while strengthening its core competitiveness. Details are set out in the Company's circular dated 12 January 2026.

AUDITORS

As both ShineWing Certified Public Accountants (Special General Partnership), the domestic auditor of the Company, and Ernst & Young Certified Public Accountants, the international auditor of the Company, had exceeded the prescribed term, in order to continue the good corporate governance of the Company and to enhance the independence of the auditors, on 23 May 2024, upon the consideration and approval at the Company's 2023 AGM, ShineWing Certified Public Accountants (Special General Partnership) and Ernst & Young Certified Public Accountants retired as the Company's domestic and international auditors, respectively, and BDO China Shu Lun Pan Certified Public Accountants LLP and PricewaterhouseCoopers were appointed as the Company's domestic and international auditors, respectively.

Based on the Company's business development needs and overall audit work requirements, following comprehensive evaluation and prudent study, and after full communication between the Company and BDO China Shu Lun Pan Certified Public Accountants LLP, with the approval of the Company's extraordinary general meeting on 24 December 2025, the domestic auditor of the Company was changed from BDO China Shu Lun Pan Certified Public Accountants LLP to Shinewing Certified Public Accountants (Special General Partnership), with a term of service until 30 April 2026. PricewaterhouseCoopers continues to serve as the international auditor of the Company.

Save as disclosed above, the Company has not changed its auditor(s) in any other circumstances in the past three years.

Auditors' remuneration for the year is set out in Note 9 to the financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

CLOSURES OF REGISTER OF MEMBERS OF H SHARES

For the purposes of determining the Shareholders' entitlement to attend the 2025 AGM and to receive the 2025 final dividend, the H Shares register of members of the Company will be closed during the following periods:

(a) In respect of attending and voting at the 2025 AGM

Deadline for lodging transfer documents	4:30 p.m. on 13 May 2026 (Wednesday)
Closure period of the H Shares register of members	From 14 May 2026 (Thursday) to 22 May 2026 (Friday) (both days inclusive)
Record date	22 May 2026 (Friday)
Date of the 2025 AGM	22 May 2026 (Friday)

(b) In respect of the entitlement to 2025 final dividend

Deadline for lodging transfer documents	4:30 p.m. on 5 June 2026 (Friday)
Closure period of the H Shares register of members	From 8 June 2026 (Monday) to 12 June 2026 (Friday) (both days inclusive)
Dividend Entitlement Date	12 June 2026 (Friday)

In order to be entitled to attend and vote at the 2025 AGM, and to receive the 2025 final dividend of the Company, H Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates are lodged with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before the time above designated for lodging transfer documents.

Shareholders are advised that the Company will make separate announcement on the SSE in respect of details of the arrangements regarding the distribution of 2025 final dividend to the holders of A Shares and eligibility of the holders of A Shares for attending the 2025 AGM.

ON BEHALF OF THE BOARD

Luo Zuyi

Chairman

Chengdu, Sichuan Province, the PRC
30 March 2026

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

I. BASIC INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT FOR THE YEAR

Name	Gender	Age ⁽¹⁾	Length of services with the Company	Position during the Reporting Period and as at 30 March 2026	Total remuneration during the Reporting Period (RMB0'000) (before tax)
Luo Zuyi	Male	52	From April 2024 to present	Executive Director, Chairman	81.03
You Zhiming	Male	53	From November 2019 to present	Executive Director, Vice Chairman and General Manager	81.03
Yang Shaojun	Male	50	From November 2024 to present	Non-executive Director, Vice Chairman	0
Li Tao ⁽²⁾	Female	55	From March 2026 to present	Employee Director	64.67
Yao Jiancheng ⁽³⁾	Male	46	From June 2022 to present	Executive Director, Secretary to the Board	64.82
Mao Yurong	Female	43	From November 2024 to present	Executive Director	61.93
Li Chengyong	Male	45	From November 2019 to present	Non-executive Director	0
Yu Haizong	Male	61	From May 2021 to present	Independent Non-executive Director	8
Zhou Hua	Male	57	From February 2024 to present	Independent Non-executive Director	8
Jiang Tao	Male	52	From September 2024 to present	Independent Non-executive Director	8
Luo Hong ⁽⁴⁾	Male	54	From December 2025 to present	Independent Non-executive Director	0

Notes:

- (1) Calculated based on age as at 31 December 2025.
- (2) Having served as an employee Director of the Company with effect from 25 March 2026. In addition, Madam Li Tao obtained the legal advice referred to in Rule 3.09D of the Listing Rules of the Stock Exchange on the same date, confirming that she understands her responsibilities as a Director.
- (3) Having served as an executive Director of the Company with effect from 9 January 2025. In addition, Mr. Yao Jiancheng obtained the legal advice referred to in Rule 3.09D of the Listing Rules of the Stock Exchange on the same date, confirming that he understands his responsibilities as a Director.
- (4) Having served as an independent non-executive Director of the Company with effect from 24 December 2025. In addition, Mr. Luo Hong obtained the legal advice referred to in Rule 3.09D of the Listing Rules of the Stock Exchange on the same date, confirming that he understands his responsibilities as a Director.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Name	Gender	Age ⁽¹⁾	Length of services with the Company	Position during the Reporting Period and as at 30 March 2026	Total remuneration during the Reporting Period (RMB0'000) (before tax)
Heibilayi	Male	40	From September 2019 to present	Deputy General Manager	64.53
Peng Chi	Male	56	From June 2020 to present	Deputy General Manager	64.50
Liu Dong	Male	53	From July 2020 to present	Chief Engineer	64.49
Zhou Jing ⁽⁵⁾	Female	48	From February 2026 to present	Chief Financial Controller	0
Ma Yonghan ⁽⁶⁾	Female	46	From June 2020 to January 2026	Executive Director	64.83
Chen Chaoxiong ⁽⁷⁾	Male	60	From August 2022 to February 2026	Non-executive Director	0
Bu Danlu ⁽⁸⁾	Female	47	From November 2019 to December 2025	Independent Non-executive Director	8

Notes:

- (5) Having served as the chief financial controller of the Company with effect from 10 February 2026.
- (6) Resigned on 29 January 2026.
- (7) Resigned on 10 February 2026.
- (8) Resigned on 24 December 2025.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Name	Gender	Age ⁽¹⁾	Length of services with the Company	Position during the Reporting Period and as at 30 March 2026	Total remuneration during the Reporting Period <i>(RMB0'000)</i> (before tax)
Guo Renrong ⁽⁹⁾	Male	53	From October 2017 to January 2026	Chief Financial Controller	65.13

Notes:

(9) Resigned on 29 January 2026.

In accordance with paragraph E.1.5 of the Code of Corporate Governance, total remuneration before taxation received by the senior management of the Company during the Reporting Period fell within the following bands:

Total remuneration before taxation bands	Number of people
RMB0 to RMB500,000	1
RMB500,001 to RMB1,000,000	6

Note: Resigned senior management during the Reporting Period and up to 30 March 2026 are included.

II. CHANGES OF DIRECTORS AND SENIOR MANAGEMENT

During the Reporting Period:

On 9 January 2025, subject to the consideration and approval at the first extraordinary general meeting of the Company in 2025, Mr. Yao Jiancheng was elected as an executive Director of the eighth session of the Board of the Company. The term of office commences on 9 January 2025 until the expiration of the term of the eighth session of the Board.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

On 29 May 2025, Mr. Wong Wai Chiu resigned as the joint company secretary and as one of the authorised representatives under Rule 3.05 of the Listing Rules of the Stock Exchange. The Company's authorised representatives continued to be Mr. Yao Jiancheng and Mr. Luo Zuyi. Meanwhile, the Board is pleased to announce that the Stock Exchange has confirmed that Mr. Yao Jiancheng meets the qualifications for a company secretary under Rules 3.28 and 8.17 of the Listing Rules and will serve as the sole company secretary of the Company, with effect from 29 May 2025.

On 30 October 2025, Ms. Bu Danlu applied to resign as an independent non-executive Director of the Company, chairman of the Audit Committee, and member of the Remuneration and Appraisal Committee, as her tenure as an independent non-executive Director of the Company was approaching six years. According to the provisions of the Company's Articles of Association, the resignation of an independent non-executive Director takes effect upon the appointment of a successor independent non-executive Director. On 24 December 2025, upon review and approval at the extraordinary general meeting of the Company, Mr. Luo Hong was elected as an independent non-executive Director of the eighth session of the Board of Directors of the Company, and Ms. Bu Danlu's resignation took effect on the same date. On the same day, the Board considered and approved the appointment of Mr. Luo Hong as chairman of the Audit Committee and member of the Remuneration and Appraisal Committee of the Board.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

After the Reporting Period and as at 30 March 2026:

On 29 January 2026, Madam Ma Yonghan tendered her resignation as an executive Director of the Company due to work re-arrangement, with such resignation taking effect from the same date.

On 29 January 2026, Mr. Guo Renrong tendered his resignation as the chief financial controller of the Company due to work re-arrangement, with such resignation taking effect from the same date.

On 10 February 2026, Mr. Chen Chaoxiong tendered his resignation as a non-executive Director of the eighth session of the Board of the Company due to reaching the retirement age, with such resignation taking effect from the same date.

On 10 February 2026, the Board considered and approved the appointment of Madam Zhou Jing as the chief financial controller of the Company.

On 25 March 2026, the Company's employee representative meeting elected Madam Li Tao as the Company's employee Director.

III. BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

(I) Biographies of incumbent Directors are as follows:

Mr. Luo Zuyi, aged 52, successively graduated from Sichuan Transportation School, Party School of the Central Committee of Communist Party of China and University of Electronic Science and Technology of China with a master's degree in business administration, and is a political engineer* (政工師). He successively served as the deputy general manager of Sichuan Jiuzhai Huanglong Airport Co., Ltd., the secretary of the Party Committee and the general manager of Chengyu Branch of the Company, the director of Preparation Division of Chengle Expressway Expansion Project, a member of the Party Committee of the Company, the secretary of the Party Committee, the chairman and the legal representative of Chengle Expressway, the secretary of the Party Committee, the chairman and the legal representative of Sichuan Trading Landmark Co., Ltd., and the deputy secretary of the Party Committee, the vice chairman and the general manager of Sichuan Shudao Urban & Rural Investment Group Co., Ltd. He currently serves as an executive Director, the chairman of the eighth session of the Board and the legal representative of the Company.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Mr. You Zhiming, aged 53, successively graduated from Neijiang Normal University* (內江師範專科學校) and the Party School of Sichuan Provincial Committee of the Chinese Communist Party with a postgraduate degree, and is a political engineer* (政工師). He successively served as a teacher and the secretary of the Youth League Committee of Jiajia High School of Jianyang City, the deputy secretary and the secretary of Jianyang Municipal Committee of the Communist Youth League of China, the secretary of the Party Committee of Pingquan Town of Jianyang City, a cadre of Ziyang Municipal Urban Planning and Development Bureau, the chief of the Village and Town Construction Section and the Urban-rural Planning and Management Section, the director of the Municipal Surveying and Mapping Office, the deputy director of the Management Committee of Ziyang Municipal Economic Development Zone of Sichuan Province, the deputy chief executive, a standing member of the District Committee, the chief of the Organization Department and the principal of the Party School of the Yanjiang District Government of Ziyang City, the director and the secretary of the Leading Party Members' Group of Ziyang Municipal Supply and Marketing Cooperatives Association* (資陽市供銷合作社聯合社), and the chief of the Organization Department (Human Resources Department, United Front Work Department) of Party Committee and the director of the Office of the Remuneration and Appraisal Committee of STIG, a non-executive Director, executive Director and the deputy general manager of the Company. He currently serves as an executive Director, the vice chairman and the general manager of the eighth session of the Board and concurrently serves as the chairman and legal representative of Chengdu Chengbei Exit Expressway Company Limited.

Mr. Yang Shaojun, aged 50, graduated from Zhongnan University of Economics and Law, is a senior accountant. He successively served as the deputy director of the finance department of Yichang Shipyard* (宜昌船廠), the financial controller of the shipbuilding industry department of CYSC* (長航集團), the director of the finance department of CSC Shipbuilding Industry Corporation* (長航集團船舶重工總公司), the chief financial officer of Nanjing Jinling Shipyard Co., Ltd.* (南京金陵船廠有限公司), the director of the finance department of China Yangtze Shipping Group Co., Ltd. and the general manager of CYSC Wuhan Foreign Economic and Technical Cooperation Co., Ltd.* (長航集團武漢對外經濟技術合作有限公司), and the chairman of Henan Yuexiu Pinglin Expressway Co., Ltd. (河南越秀平臨高速公路有限公司). He currently serves as the chief financial officer of China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司), the vice chairman of Shandong High-Speed Group Co., Ltd. (山東高速股份有限公司), the vice chairman of Jiangsu Yangtze Bridge Co., Ltd.* (江蘇揚子大橋股份有限公司), the vice chairman of Jiangsu Guangjing Xicheng Expressway Company Limited* (江蘇廣靖錫澄高速公路有限責任公司), the director of Jiangsu Expressway Company Limited* (江蘇甯滬高速公路股份有限公司), the director of Henan Zhongyuan Expressway Co., LTD.* (河南中原高速公路股份有限公司), and non-executive Director and vice chairman of the eighth session of the Board of the Company.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Madam Li Tao, aged 55, successively graduated from Sichuan Normal University and from Sichuan University of Economy and Trade with an MBA degree and is a senior political engineer. She worked at Sichuan Chuanjiao Bridge Engineering Company Limited (四川省川交橋樑工程有限責任公司) and Department of Transportation of Sichuan Province. She successively served as the deputy secretary and secretary of Youth League Committee, and the director of the Party Committee Office, the General Manager' Office, the General Office (Publicity Center) of the Company, a supervisor of Sichuan Chengle Expressway Company Limited and an employee representative Supervisor of the Supervisory Committee of the Company. She currently serves as the chairman of the labour union and employee Director of the Company.

Mr. Yao Jiancheng, aged 46, holds a master's degree in Economics of Southwestern University of Finance and Economics. He is a senior economist. He successively served as the manager of Operation & Investment Department of Sichuan Trading Industrial Co., Ltd. (四川交投實業有限公司), the general manager of Sichuan Transportation Investment Shujiang Investment Company (四川交投蜀江投資公司), the general secretary of the Party branch of Sichuan Jiaotou New Energy Co., Ltd. (四川交投新能源有限公司), the deputy head of Capital Operation Department and the deputy head of Investment Development Department of Sichuan Transportation Investment Group Corporation Limited (四川省交通投資集團有限責任公司), a director and the deputy general manager of Sichuan Transportation Investment Innovation Development Co., Ltd. (四川交投創新投資發展有限公司), the deputy head of Investment Development Department and the deputy head of Capital Operation Department of Shudao Investment Group Co., Ltd. (蜀道投資集團有限責任公司). He currently serves as an executive Director of the eighth session of the Board, the secretary to the Board, the chief legal counsel and the chief compliance officer.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Madam Mao Yurong, aged 43, graduated from Chongqing Jiaotong University. She is a senior engineer. She successively served as the deputy manager of the Operation and Management Department (Operation and Development Department) of Chongqing Chongqing-Guizhou Expressway Co., Ltd.* (重慶渝黔高速公路有限公司), the deputy manager of the Operation and Development Department (non-auxiliary business) of Chongqing Shanghai-Chongqing Expressway Co. Ltd.* (重慶滬渝高速公路有限公司), the deputy manager of the Operation and Development Department (non-auxiliary business) of Chongqing Chongqing-Guizhou Expressway Co., Ltd.* (重慶渝黔高速公路有限公司), the deputy manager of the Operation and Development Department of Chongqing Shanghai-Chongqing Expressway Co. Ltd.* (重慶滬渝高速公路有限公司) and the deputy manager of the Operation and Development Department of Chongqing Chongqing-Guizhou Expressway Co., Ltd.* (重慶渝黔高速公路有限公司). She currently serves as the manager of the Operation and Development Department of Chongqing Shanghai-Chongqing Expressway Co. Ltd.* (重慶滬渝高速公路有限公司), the manager of the Operation and Development Department of Chongqing Chongqing-Guizhou Expressway Co., Ltd.* (重慶渝黔高速公路有限公司), the head of the budget review committee of the labour union of Chongqing Chongqing-Guizhou Expressway Co., Ltd.* (重慶渝黔高速公路有限公司), the employee supervisor of Chongqing Chongqing-Guizhou Expressway Co., Ltd.* (重慶渝黔高速公路有限公司), and an executive Director of the eighth session of the Board.

Mr. Li Chengyong, aged 45, graduated from the department of finance and economics of Chongqing Jiaotong College and the School of Economics and Management of Southwest Jiaotong University. He has a postgraduate degree and is a senior accountant. He has successively served as the head of the Finance Department of Chengdu Municipal Development Company* (成都市市政開發總公司), the deputy chief of the Planning and Finance Section of Chengdu Urban Road and Bridge Management Office* (成都市城市道路橋樑管理處), the business executive of the Asset Management and Audit Department and the deputy chief of Finance Management Department (Fund Management Centre) of STIG, the deputy director of Financial Management Department (Fund Management Centre) of Shudao Group, a director of Shudao (Sichuan) Innovation Investment Development Co., Ltd. (蜀道(四川)創新投資發展有限公司) (formerly known as "Sichuan Transportation Investment Innovation Development Co., Ltd.* (四川交投創新投資發展有限公司)"), and a non-executive Director of the seventh session of the Board. He currently acts as the director of the Fund Management Centre and the director of the Finance Sharing Centre of Shudao Group, the director of Sichuan Chuanrui Development & Investment Co., Ltd.* (四川省川瑞發展投資有限公司), and a non-executive Director of the eighth session of the Board.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Mr. Yu Haizong, aged 61, graduated from Southwestern University of Finance and Economics with a bachelor's degree, a master's degree in economics (accounting) and a doctorate degree in management (accounting). He is a certified public accountant (non-practising) in the PRC, a senior member of the Accounting Society of China, vice-president of Chengdu Real Estate and Accounting Association (成都房地產會計學會) and accounting professor. He successively served as an independent director of Sichuan Jiuzhou Electronic Co., Ltd., an independent director of Chengdu Haoneng Technology Co., Ltd., and ceased to serve as an independent director of HitGen Inc. from September 2025. He is currently a professor in the School of Accounting of Southwestern University of Finance and Economics, as well as an independent director of China Vanadium Titano Magnetite Mining Company Limited, an independent director of Bank of Chengdu Co., Ltd. and an independent non-executive Director of the eighth session of the Board.

Mr. Zhou Hua, aged 57, successively graduated from Sichuan Polytechnic Institute with a bachelor's degree in engineering majoring in automobile application engineering and Xihua University* (西華大學) with a master's degree in vehicle engineering, respectively. He is a practicing judicial authenticator. He successively served as the assistant dean of the School of Applied Technology of Xihua University, the deputy secretary of the Party Committee and the assistant dean of the School of Transportation and Automobile Engineering of Xihua University, and the secretary of the Party Committee of the School of Automobile and Transportation of Xihua University. He currently serves as a professor of the School of Automobile and Transportation of Xihua University, and an independent non-executive Director of the eighth session of the Board.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Mr. Jiang Tao, aged 52, successively graduated from Sichuan University with a master's degree in law and Southwestern University of Finance and Economics (Audencia Business School of France) with a doctorate in business administration, respectively. He previously served as a director and assistant to the general manager of Chengdu Hualian Department Store Co., Ltd.* (成都華聯商廈股份有限公司), executive director of Wanning Luhai Agricultural and Forestry Technology Co., Ltd.* (萬寧麓海農林科技有限公司), director and general manager of Wanchuang Huafeng Finance Leasing (Tianjin) Co., Ltd.* (萬創華豐融資租賃(天津)有限公司), supervisor of Chengdu Mengyang River Valley Trading Co., Ltd.* (成都濠陽河谷貿易有限公司), supervisor of Chengdu Mengyang River Valley Wine Co., Ltd.* (成都濠陽河谷酒業有限公司), and chairman and general manager of Chengdu Mingteng Disheng Property Management Co., Ltd.* (成都名騰迪盛物業管理有限公司). He currently serves as a director and the assistant to the chairman of the board of directors of Chengdu Wide Horizon Investment Group Co., LTD (成都萬華投資集團有限公司), a director of Chengdu Wanhua Real Estate Development Co., Ltd.* (成都萬華房地產開發有限公司), a director of Sichuan Derui Wanhua Education Management Co., Ltd.* (四川德瑞萬華教育管理有限公司), a director and general manager of Hainan Wanhua Real Estate Development Co., Ltd. (海南萬華房地產開發有限公司), an executive director of Chengdu Luhu Commercial Development Co., Ltd.* (成都麓湖商業發展有限公司), a supervisor of Sanya Lubin Tourism Development Co, Ltd.* (三亞麓濱旅業開發有限公司), a partner of Chengdu Ledao Wanchuang Investment Partnership (Limited Partnership) (成都樂道萬創投資合夥企業(有限合夥)), a director of Tibet Disheng Education Management Co., Ltd.* (西藏迪盛教育管理有限公司), the general manager of Ronghui Zhongchuang Chengdu Investment and Development Co., Ltd.* (融匯中創成都投資發展有限公司), a director and general manager of Wanchuang Holdings Investment Chengdu Co., Ltd.* (萬創投資控股成都有限公司), a supervisor of Chengdu Wanxiang Hezi Education Technology Co., Ltd.* (成都萬象盒子教育科技有限公司), an executive director and general manager of Chengdu Fund Town Construction and Development Co., Ltd.* (成都基金小鎮建設發展有限公司), an executive director and general manager of Chengdu Lucun Digital Technology Co., Ltd.* (成都麓村數字科技有限公司), a director of Chengdu Jiuhe Eco-agriculture Development Co, Ltd.* (成都九禾生態農業發展有限公司), an executive director and general manager of Wanchuang Huaze Chengdu Asset Management Co., Ltd.* (萬創華澤成都資產管理有限公司), a director of Wantou (Hainan) Enterprise Management Co., Ltd.* (萬投(海南)企業管理有限公司), a director of Chengdu Tongjia Wanhua Education Management Co., Ltd.* (成都童佳萬華教育管理有限公司), a director of Sichuan Tianfu New District Experimental Foreign Language Senior High School Co., Ltd.* (四川天府新區實外高級中學有限公司), a director of Sichuan Tianfu New District Experimental Foreign Language School Affiliated Kindergarden Co., Ltd.* (四川天府新區實外附屬幼兒園有限公司), a supervisor of Chengdu Afaqi Commercial Management Co., Ltd.* (成都阿發奇商業管理有限公司), a partner of Chengdu Mingchuang Yimei Enterprise Management Consulting Partnership (Limited Partnership) (成都明創伊美企業管理諮詢合夥企業(有限合夥)), a director and manager of Luhu (Chengdu) Ecological Environment Management Co., Ltd. (麓湖(成都)生態環境管理有限公司), a partner of Yangzhou Dinglong Qishun Equity Investment Partnership (Limited Partnership) (揚州鼎龍啟順股權投資合夥企業(有限合夥)), and a partner of Chengdu Kuisu Venture Capital Partnership (Limited Partnership) (成都奎速創業投資合夥企業(有限合夥)), and an independent non-executive Director of the eighth session of the Board.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Mr. Luo Hong, aged 54, graduated from the University of South China (formerly known as Zhongnan Institute of Technology* (中南工學院)), Zhongnan University of Economics and Law, and Jinan University, and holds a Ph.D. in Accounting. He previously served as a lecturer at the University of South China and an associate professor at the School of Accounting of Southwestern University of Finance and Economics. He is currently a professor and doctoral supervisor at the School of Accounting of Southwestern University of Finance and Economics, an independent director of Chengdu Information Technology of Chinese Academy of Sciences Co., Ltd., and an independent director of Qianhe Condiment and Food Co., Ltd.. He is also an independent non-executive Director of the eighth session of the Board of the Company.

(II) Biographies of other incumbent senior management are as follows:

Mr. You Zhiming, please refer to the biographies of Directors.

Mr. Yao Jiancheng, please refer to the biographies of Directors.

Mr. Heibilayi, aged 40, graduated from Southwest University of Finance and Economics majoring in law and obtained a bachelor's degree in law. He worked in Chengdu Branch of Pudong Development Bank and served as assistant to the president of Kehua Branch of Pudong Development Bank, the assistant to the president, acting president and the president of Tianfu Branch of Pudong Development Bank and a member of Standing Committee and the vice head of Yuechi County. He is currently the deputy general manager of the Company.

Mr. Peng Chi, aged 56, holds a master's degree and is a senior engineer. He has served as the secretary of the cement road office of the Transportation Bureau of Longchang County of Sichuan Province, head of Road Section of Chengyu Expressway Longchang Management Section of Sichuan Expressway Administration Bureau, the deputy director of the fund management center of the Company, the chief of the Division three of the mechanical maintenance and the secretary of the Party Committee of the Company, the deputy general manager of Sichuan Shugong Expressway Engineering Company Limited, the director of Neijiang Management Department of the Company, the standing deputy commander of the expansion construction department of Chengle Expressway, the general manager of Chengya Branch of the Company. He is currently the deputy general manager of the Company.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Mr. Liu Dong, aged 53, graduated from Tongji University majoring in Highway and Urban Road and is a senior engineer. He has successively served as the deputy director, the chief engineer and the director of the engineering division of Reconstruction Headquarters of Langmu Temple to Chuanzhu Temple Highway of National Highway 213, the director, the deputy chief engineer and the deputy general manager of Engineering Division of Chengren Branch of the Company, the deputy general manager of Suiguang Suixi Expressway Company Limited and Chengle Expressway Company. He is currently the vice-president of the 10th council of the Sichuan Provincial Highway Society and the chief engineer of the Company.

Madam Zhou Jing, aged 48, graduated from Southwestern University of Finance and Economics majoring in accounting, is a certified public accountant and a senior accountant. Madam Zhou successively served as accountant of Neijiang Emei Diesel Engine Co., Ltd.* (內江峨嵋柴油機股份有限公司), financial supervisor and financial manager of Chengdu Eastern-tech Develops Co., Ltd., senior supervisor in the finance department of Chengdu Communications Investment Group Co., Ltd., head of the finance division of Sichuan Jialingjiang Shaxi Navigation and Power Development Co., Ltd.* (四川嘉陵江沙溪航電開發有限公司), deputy manager of the finance and assets department, manager of the audit department, and member of the discipline inspection committee of Sichuan Port And Channel Development Co., Ltd., chief accountant and supervisor of Sichuan Jialingjiang Navigation Development Co., Ltd.* (四川省嘉陵江航運開發有限公司), supervisor of Sichuan Jialingjiang Fengyi Bay Agricultural Development Co., Ltd.* (四川省嘉陵江鳳儀灣農業開發有限公司), supervisor, chief financial officer, member of the Party Committee, and director of Sichuan Communications Investment Real Estate Co., Ltd.* (四川交投地產有限公司) (formerly known as Sichuan Communications Investment Land Co., Ltd.* (四川交投置地有限公司)), and chief financial officer of Sichuan Shudao Urban & Rural Investment Group Co., Ltd.. She currently serves as the chief financial officer of the Company.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

(III) Biographies of Directors and other senior officers who resigned or retired during the Reporting Period and up to the date of this report are as follows:

Madam Bu Danlu, aged 47, graduated from Southwestern University of Finance and Economics with a doctorate degree, and is a professor, doctoral supervisor, certified public accountant and certified tax agent. She was selected into the fifth National Leading Accounting Talents Program of the Ministry of Finance (Academic), and a member of the first and the second Consulting Committee of Corporate Accounting Standard of the Ministry of Finance. She has successively served as a lecturer, an associated professor of Southwestern University of Finance and Economics, an independent director of North Chemical Industries Co., Ltd. (北方化學工業股份有限公司) (formerly known as “Sichuan Nitrocell Co., Ltd. (四川北方硝化棉股份有限公司)”), an independent director of Chengdu Raise Environmental Protection Technology Co., Ltd* (成都銳思環保技術股份有限公司), and an independent non-executive Director of the eighth session of the Board of the Company. She currently acts as a professor of the School of Accounting of Southwestern University of Finance and Economics, an independent director of Hangzhou Huaxing Chuangye Communication Technology Co., Ltd. (杭州華星創業通信技術股份有限公司), and an independent director of Fulin Precision Machining Co., Ltd..

Madam Ma Yonghan, aged 46, graduated from Sichuan University majoring in political economy in the School of Economics and administrative management in the School of Public Administration with a master’s degree. She is a senior economist. She has served as the deputy secretary of the Youth League Committee and the deputy director of the Party Committee office of Sichuan Expressway Construction and Development, the deputy director of the party committee and affairs department (黨群工作部) (the discipline inspection and supervision office) and the deputy director of the mass organization department (群團工作部) of STIG, the director of the party committee office of Sichuan Expressway Construction and Development and the director, the secretary of the Youth League Committee, the vice chairman of the labour union under the mass organization department of STIG, an executive Director of the seventh session of the Board of the Company, and an executive Director of the eighth session of the Board of the Company. She currently serves as a member and deputy secretary of the Party Committee of Sichuan Tibetan-Area Expressway Group Co., Ltd. (四川藏區高速公路集團有限責任公司).

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

Mr. Chen Chaoxiong, aged 60, obtained a bachelor's degree and is a senior accountant. He successively served as the head of the finance section of Guangyuan Municipal Transportation Bureau, a director and the chief financial officer of Sichuan Jiaotou New Energy Co., Ltd.* (四川交投新能源有限公司), the chief financial officer and chairman of the labor union of Sichuan Jiaotou Transport Media Co., Ltd.* (四川交投運務傳媒有限公司), the chairman of the board of directors (legal representative) of Sichuan Jiaotou Commerce and Trade Co., Ltd.* (四川交投商貿有限公司), the assistant to the general manager of Sichuan Trading Industry Company Limited* (四川交投實業有限公司), the assistant to the general manager of Shudao Transport Services Group Co., Ltd.* (蜀道交通服務集團有限責任公司) and concurrently the chairman of the board of directors of Sichuan Shujiao Commerce and Trade Co., Ltd.* (四川蜀交商貿有限公司), a non-executive Director of the seventh session of the Board of the Company, a Class II director of Shudao Investment Group Co., Ltd. (蜀道投資集團有限責任公司), an external director of Sichuan Shudao Intelligent Transportation Co., Ltd. (四川蜀道智慧交通有限公司), an external director of Sichuan Shudao Railway Operation and Management Group Co., Ltd. (四川蜀道鐵路運營管理集團有限責任公司) and a non-executive Director of the eighth session of the Board of the Company.

Mr. Guo Renrong, aged 53, holds a master's degree in engineering (direction of financial studies) of Beijing Institute of Technology and is a senior accountant. He successively served as the manager of the Financial Division of Sichuan Guangba Expressway Co., Ltd. (四川廣巴高速公路有限責任公司), the deputy director of Financial Management Department (fund management center) of STIG, the deputy secretary of the Party Committee, the deputy general manager (in charge of daily work) of Sichuan Transportation Investment Industrial & Financial Company Limited (四川交投產融控股有限公司), the chairman and the legal representative of Shenynwanguo Transportation Investment Industrial & Financial Investment (Shanghai) Management Company Limited (申銀萬國交投產融(上海)投資管理有限公司), the director of Chengyu Financial Leasing Company Limited, the director of CSI SCE, and the financial controller of the Company. He currently serves as vice chairman and executive member of the eighth session of the council of the Accounting Society of Sichuan Province, as well as chairman of the Chief Accountants Research Council; chairman of the third session of the Board of Supervisors and chairman of the Chief Financial Officers Committee of the Sichuan Listed Company Association; an expert for the "Top 10 Information Technologies Influencing China's Accounting Industry 2025" selection; an expert of the Sichuan Capital Market Service Group; a review expert of the Senior Accountant Evaluation Committees of Sichuan Province and Chengdu Municipality; a senior internal trainer of Shudao Group; and chief financial officer, general counsel and chief compliance officer of Sichuan Road & Bridge (Group) Company Limited* (四川路橋建設集團股份有限公司).

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

IV. EMPLOYEES

As at 31 December 2025, details of the Group's employees were as follows:

Number of in-service employees of the Company (including its branches)	2,307
Number of in-service employees of major subsidiaries	2,046
Total number of in-service employees	4,353
Number of retired or resigned employees for which the Company (including its branches) and its major subsidiaries are liable to bear costs	0

Composition by Expertise

Type of Expertise	Number of people
Production	3,229
Sales	0
Technical	632
Financial	107
Administrative	385
Total	4,353

Educational Level

Type of Education Level	Number of people
Postgraduate	268
University graduate	1,977
Junior college graduate	1,432
Technical secondary school and below	676
Total	4,353

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

1. *Employees' Remuneration*

The total remuneration of the Company's employees is correlated with the operating results of the Company. Employees' salaries are determined based on their positions and performance. For the year ended 31 December 2025, the employees' salary of the Group totalled approximately RMB647,465 thousand, of which approximately RMB304,291 thousand was for the employees of the Company (including its branches).

2. *Employees' Insurance and Welfare*

The Company cherishes employees and protects their lawful interests. It has improved various types of social insurance for employees in strict compliance with all applicable PRC labor security policies. Expenses for various types of social insurances for retirement, healthcare (including maternity insurance), unemployment, work related injury, supplementary critical illness mutual insurance, supplementary insurances for retirement, supplementary medical insurance, employer liability insurance have been paid in full by the Company for the employees. Meanwhile, the Company has made contributions to the housing accumulation fund and enterprise annuity fund for the employees in compliance with the requirements under applicable laws and policies.

3. *Staff Training*

The Company highly values staff training and provides trainings of various aspects and types to improve the comprehensive quality and business standard of its staff at all levels. During the Reporting Period, the Company had organised various centralized and specific trainings such as operating training for technical staff, and continuing education and training for professional technical staff. The attendance of the Company (including its branches) reached 29,706 person-times.

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

To the Shareholders of Sichuan Expressway Company Limited

(incorporated in the People's Republic of China with limited liability)

OPINION

What we have audited

The consolidated financial statements of Sichuan Expressway Company Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 143 to 252, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Amortisation and impairment of service concession arrangements
- Impairment of trade and other receivables

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Amortisation and impairment of service concession arrangements</p> <p>As described in Note 4.1(i) (iii) and Note 15 to the consolidated financial statements, as of 31 December 2025, the balances of service concession arrangements were RMB53,022,785,000.</p> <p>Amortisation of service concession arrangements is calculated under the unit-of-usage method, based on the share of traffic volume in a particular period over the total projected traffic volume throughout the service concession period. The management regularly reviews the projected traffic volume throughout the operating periods of the respective service concession arrangements.</p> <p>The management performs impairment test of service concession arrangements when indication of impairment exists. Based on impairment tests performed, the management concluded that no impairment provision for service concession arrangements was made for the year ended 31 December 2025.</p> <p>We identified this as a key audit matter due to the magnitude of the carrying amount of service concession arrangements and high degree of subjectivity and estimation uncertainty involved in the assessment of amortization and impairment of service concession arrangements.</p>	<p>Our procedures to address this key audit matter mainly included:</p> <ul style="list-style-type: none">• We obtained an understanding of the management's internal control and assessment process relating to amortisation and impairment of service concession arrangements, including the process associated with the management's review of the projected traffic volume against actual traffic volume. We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors such as the complexity, subjectivity and changes in assumptions used in the amortisation and impairment tests.• We evaluated and tested the internal controls over the management amortisation and impairment of service concession arrangements.• We evaluated the appropriateness of amortisation of service concession arrangements by:<ul style="list-style-type: none">- Evaluating whether the unit-of-usage method applied by management agreed to the requirements of accounting standards.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

How our audit addressed the Key Audit Matter

- Understanding and evaluating the independence, qualifications and competence of the valuation experts engaged by management.
- Evaluating the appropriateness of projected traffic volume in the valuation experts' report by comparing to historical traffic volume and considering the GDP growth rate, impacts of relevant government policies of Western China and development plan of road network.
- Testing the historical traffic volume by tracing to external statistics reports and testing the mathematical accuracy of the calculation.
- We evaluated the appropriateness of impairment of service concession arrangements by:
 - Testing the revenue growth rate by considering historical growth rates, relevant business plans and market trends.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

How our audit addressed the Key Audit Matter

- With assistance of our valuation experts, evaluating the appropriateness of the method and key assumptions including:
 - a. Evaluating the appropriateness of management's valuation method by considering industry practice.
 - b. Evaluating the appropriateness of the discount rate used in the model by considering market trend and comparable companies in the industry.
 - c. Testing the mathematical accuracy of the calculation.
- We assessed the adequacy of the disclosure related to the amortisation and impairment of service concession arrangements.

Based on the procedures performed, we considered the significant estimates and judgements applied by management in relation to amortisation and impairment of service concession arrangements were supported by the evidence obtained.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment of trade and other receivables

As described in Note 3.1(iii), Note 4.1(ii) and Note 23 to the consolidated financial statements, as of 31 December 2025, the carrying amount of trade and other receivables and the expected credit losses ("ECL") were RMB2,668,727,000 and RMB208,609,000, respectively.

The management applies ECL model to assess the impairment of trade and other receivables. For trade receivables that do not contain a significant financing component, the management applied the simplified approach. For trade receivables that contain a significant financing component and other receivables, the management applied the general approach.

Simplified approach is applied by analysing the credit profile, ageing, external credit ratings, and industry classification of different counterparties, incorporated with forward-looking adjustment factors.

General approach is applied by using a modelling approach that incorporated key parameters and assumptions, including whether the credit risk had increased significantly since the initial recognition or become credit-impaired, probability of default, loss given default, and forward-looking adjustment factors.

Our procedures to address this key audit matter mainly included:

- We obtained an understanding of the management's internal control and assessment process relating to management's estimation on impairment of trade and other receivables. We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors such as the complexity, subjectivity and changes in assumptions used in the impairment of trade and other receivables.
- We evaluated and tested the internal controls over the management impairment of trade and other receivables.
- We tested the existence of trade and other receivables by tracing to the supporting evidence, including related contracts and correspondence with counterparties.
- With the assistance of our valuation experts, we performed the following procedures, including:
 - Evaluating the appropriateness of the method by considering the nature of receivables.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

We identified this as a key audit matter due to the magnitude of the balances of trade and other receivables and the degree of the significant accounting estimates and judgements involved in the management's estimation of impairment of trade and other receivables.

How our audit addressed the Key Audit Matter

- Evaluating the appropriateness of probability of default, loss given default by considering different credit risk characteristics, credit history, financial capability and credit enhancement measures in different repayment scenarios.
- Testing the credit profile, ageing, external credit ratings, and industry classification of major counterparties.
- Assessing the appropriateness of management's staging determinations and judgements used in identification of significant increases in credit risk and credit-impaired assets based on the counterparties' financial and non-financial information and other external evidence provided by management.
- Evaluating management's assessment of the forward-looking information used to determine the expected credit losses by considering economic factors applied by management.
- We tested the mathematical accuracy of the calculation in the impairment of trade and other receivables.
- We assessed the adequacy of the disclosure related to the impairment of trade and other receivables.

Based on the procedures performed, we considered the significant estimates and judgements applied by the management in relation to impairment of trade and other receivables were supported by the evidence obtained.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is LI, Jack (practising certificate number: P05223).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	8,573,129	10,247,400
Cost of sales	9	(5,699,135)	(7,136,407)
Gross profit		2,873,994	3,110,993
Other income and gains	7	205,522	238,931
Administrative expenses and selling expenses	9	(536,447)	(604,216)
Net impairment losses on financial assets	9	(52,734)	(17,560)
Other expenses	9	(29,870)	(42,241)
Operating profit		2,460,465	2,685,907
Finance costs	8	(599,516)	(851,932)
Share of net profits of investments accounted for using the equity method:			
Joint ventures	17	578	882
Associates	18	41,523	35,577
Profit before income tax		1,903,050	1,870,434
Income tax expense	11	(355,437)	(330,909)
Profit for the year		1,547,613	1,539,525
Profit is attributable to:			
– Owners of the Company		1,515,006	1,449,447
– Non-controlling interests		32,607	90,078
		1,547,613	1,539,525
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic and diluted	13	RMB0.466	RMB0.474

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Other comprehensive income			
<u>Items that will not be reclassified to profit or loss</u>			
Changes in the fair value of financial assets at fair value through other comprehensive income		16,000	19,852
Income tax effect		(8,483)	(3,758)
Total other comprehensive income for the year		7,517	16,094
Total comprehensive income for the year		1,555,130	1,555,619
Total comprehensive income for the year is attributable to:			
Owners of the Company		1,521,503	1,465,201
Non-controlling interests		33,627	90,418
		1,555,130	1,555,619

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	14	1,244,465	1,119,891
Service concession arrangements	15	53,022,785	51,821,189
Right-of-use assets	16	184,042	237,876
Investments in joint ventures	17	28,389	27,811
Investments in associates	18	499,686	484,567
Financial assets at fair value through other comprehensive income	19	301,917	296,105
Financial assets at fair value through profit or loss	24	41,180	44,862
Trade and other receivables	23	1,143,032	1,269,159
Payments in advance	20	1,474,052	1,496,806
Deferred tax assets	21	79,238	109,675
Term deposits with banks	25	50,000	–
Restricted deposits	25	12,741	133
Total non-current assets		58,081,527	56,908,074
Current assets			
Inventories	22	20,778	29,867
Trade and other receivables	23	1,317,086	1,135,504
Financial assets at fair value through profit or loss	24	520	491
Term deposits with banks	25	16,500	–
Cash and cash equivalents	25	4,373,863	2,957,256
Restricted deposits	25	–	839
Total current assets		5,728,747	4,123,957
Total assets		63,810,274	61,032,031

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Interest-bearing bank and other borrowings	29	38,467,430	35,835,207
Deferred tax liabilities	21	10,536	6,545
Deferred income	28	261,989	270,898
Total non-current liabilities		38,739,955	36,112,650
Current liabilities			
Tax payable		93,662	112,490
Trade and other payables	27	2,329,773	2,709,200
Contract liabilities	26	14,258	11,232
Interest-bearing bank and other borrowings	29	1,384,147	2,590,518
Dividend payable		–	315
Total current liabilities		3,821,840	5,423,755
Total liabilities		42,561,795	41,536,405
EQUITY			
Issued capital	30	3,058,060	3,058,060
Reserves	31	17,093,397	15,346,110
Non-controlling interests		1,097,022	1,091,456
Total equity		21,248,479	19,495,626
Total equity and liabilities		63,810,274	61,032,031

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 143 to 252 were approved by the Board of Directors on 30 March 2026 and were signed on its behalf.

Luo Zuyi
Director

You Zhiming
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company												
	Issued capital	Share premium account	Statutory surplus reserve	Other equity instruments	Difference arising from changes in non-controlling interests	Fair value reserve of equity investments through other comprehensive income	Merger difference	Safety fund reserve	Capital reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 30		Note 31	Note 31			Note 31	Note 31					
Balance at 1 January 2025	3,058,060	2,654,601	7,179,186	2,000,215	(254,570)	1,524	(1,755,893)	21,277	1,127,725	4,372,045	18,404,170	1,091,456	19,495,626
Comprehensive income													
Profit for the year ended 31 December	-	-	-	-	-	-	-	-	-	1,515,006	1,515,006	32,607	1,547,613
Other comprehensive income	-	-	-	-	-	6,497	-	-	-	-	6,497	1,020	7,517
Total comprehensive income	-	-	-	-	-	6,497	-	-	-	1,515,006	1,521,503	33,627	1,555,130
Transfer to/(from) reserves	-	-	154,350	-	-	-	-	-	-	(154,350)	-	-	-
Establishment for safety fund reserve	-	-	-	-	-	-	-	4,514	-	(4,514)	-	-	-
Utilisation of safety fund reserve	-	-	-	-	-	-	-	(2,664)	-	2,664	-	-	-
Issue of perpetual bonds (Note 31)	-	-	-	1,200,000	-	-	-	-	-	-	1,200,000	-	1,200,000
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	40,740	40,740
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	24,894	-	-	-	(24,894)	-	-	-
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(68,801)	(68,801)
Cumulative dividends to holders of other equity instruments	-	-	-	89,844	-	-	-	-	-	(89,529)	315	-	315
Dividends declared to holders of other equity instruments	-	-	-	(87,693)	-	-	-	-	-	-	(87,693)	-	(87,693)
Dividends declared to shareholders	-	-	-	-	-	-	-	-	-	(886,838)	(886,838)	-	(886,838)
Balance at 31 December 2025	3,058,060	2,654,601	7,333,536	3,202,366	(254,570)	32,915	(1,755,893)	23,127	1,127,725	4,729,590	20,151,457	1,097,022	21,248,479

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2025

	Attributable to owners of the Company													
	Issued capital	Share premium account	Statutory surplus reserve	Other equity instruments	Difference arising from changes in non-controlling interests	Fair value reserve of equity investments at fair value through other comprehensive income	Merger difference	Safety fund reserve	Capital reserve	Retained earnings	Total	Non-controlling interests	Total equity	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 30		Note 31	Note 31			Note 31	Note 31						
Balance at 1 January 2024	3,058,060	2,654,601	7,022,075	-	(254,570)	(14,230)	(1,755,893)	22,366	1,127,725	3,813,184	15,673,318	999,963	16,673,281	
Comprehensive income														
Profit for the year ended														
31 December	-	-	-	-	-	-	-	-	-	1,449,447	1,449,447	90,078	1,539,525	
Other comprehensive income	-	-	-	-	-	15,754	-	-	-	-	15,754	340	16,094	
Total comprehensive income	-	-	-	-	-	15,754	-	-	-	1,449,447	1,465,201	90,418	1,555,619	
Transfer to/(from) reserves	-	-	157,111	-	-	-	-	-	-	(157,111)	-	-	-	
Establishment for safety fund reserve	-	-	-	-	-	-	-	4,396	-	(4,396)	-	-	-	
Utilisation of safety fund reserve	-	-	-	-	-	-	-	(5,485)	-	5,485	-	-	-	
Issue of perpetual bonds (Note 31)	-	-	-	1,999,900	-	-	-	-	-	-	1,999,900	-	1,999,900	
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	54,870	54,870	
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(53,795)	(53,795)	
Equity entitled to holders of other equity instruments	-	-	-	315	-	-	-	-	-	(315)	-	-	-	
Dividends declared to shareholders	-	-	-	-	-	-	-	-	-	(734,249)	(734,249)	-	(734,249)	
Balance at 31 December 2024	3,058,060	2,654,601	7,179,186	2,000,215	(254,570)	1,524	(1,755,893)	21,277	1,127,725	4,372,045	18,404,170	1,091,456	19,495,626	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit before tax		1,903,050	1,870,434
Adjustments for:			
Finance costs	8	599,516	851,932
Share of net profits of joint ventures and associates	17,18	(42,101)	(36,459)
Fair value loss/(gain) on financial assets at fair value through profit or loss	7,9	3,653	(10,970)
Depreciation of property, plant and equipment	14	140,216	133,475
Depreciation of right-of-use assets	16	54,140	58,967
Amortisation of service concession arrangements	15	1,100,391	1,080,443
Foreign exchange (gains)/losses, net		(926)	2,616
Provision of impairment losses on trade and other receivables	9	52,734	17,560
Provision of impairment losses on prepayments		231	–
(Profit)/loss on disposal of items of property, plant and equipment, net	7,9	(2,455)	20,221
Interest income	7	(20,112)	(38,827)
Loss on deemed disposal of investments in an associate	9	–	8,380
Dividend income from financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss	7	(10,621)	(6,517)
		3,777,716	3,951,255
Additions to service concession arrangements		(1,798,002)	(2,703,361)
Increase in restricted deposits		(11,769)	(844)
Decrease/(increase) in non-current payments in advances		10,070	(196,975)
Decrease in deferred income		(8,909)	(16,843)
(Increase)/decrease in trade and other receivables		(120,246)	111,528
Decrease in inventories		9,089	89,954
Increase/(decrease) in contract liabilities		3,026	(8,337)
(Decrease)/increase in trade and other payables		(379,429)	60,231
Cash generated from operations		1,481,546	1,286,608
Income tax paid		(348,318)	(298,657)
Net cash inflow from operating activities		1,133,228	987,951

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows used in investing activities			
Purchases of items of property, plant and equipment		(257,225)	(315,957)
Purchases of equity Investments in designated at fair value through other comprehensive income		–	(199,622)
Proceeds from disposal of items of property, plant and equipment		7,575	674
Interest received		20,112	47,613
Dividend received from associates	18	26,404	33,223
Dividend received from a joint venture	17	–	358
Dividend received from financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss		11,308	5,830
Receipt of financial assets at fair value through other comprehensive income		21,326	–
(Increase)/decrease in time deposits		(66,500)	255,025
Net cash used in investing activities		(237,000)	(172,856)
Cash flows from financing activities			
Proceeds from bank loans		9,737,592	6,439,860
Proceeds from other equity instruments		1,200,000	1,999,900
Capital injection by a non-controlling shareholder		40,740	54,870
Proceeds from corporate bonds		–	2,000,000
Repayment of bank loans		(8,110,889)	(3,795,648)
Repayment of other borrowings		(176,916)	(2,879,533)
Repayment of medium-term notes		–	(1,190,000)
Principal portion of lease payments		(28,429)	(32,104)
Interest paid		(1,099,313)	(1,392,644)
Dividends paid to owners of the Company		(885,912)	(736,550)
Dividends paid to holders of other equity instruments		(87,693)	–
Dividends paid to non-controlling shareholders		(68,801)	(53,795)
Net cash inflow from financing activities		520,379	414,356

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Net increase in cash and cash equivalents		1,416,607	1,229,451
Cash and cash equivalents at the beginning of the year		2,957,256	1,727,805
Cash and cash equivalents at end of the year		4,373,863	2,957,256

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 GENERAL INFORMATION

Sichuan Expressway Company Limited (the “Company”) is a limited liability company established in the People’s Republic of China (the “PRC”). The registered office of the Company is located at 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC. The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 7 October 1997 and on the Shanghai Stock Exchange on 27 July 2009, respectively.

During the year ended 31 December 2025 (the “Year”), the Company and its subsidiaries (the “Group”) was involved in the following principal activities:

- investment holding;
- construction, management and operation of expressways and a high-grade toll bridge;
- construction and operation of gas stations along expressways; and
- provision of charging services for electric vehicles.

Shudao Investment Group Company Limited (“Shudao Investment”) is the controlling shareholder of the Company, which is established in the PRC.

Information about subsidiaries

The Group’s principal subsidiaries as at 31 December 2025 are set out below. Unless otherwise stated, the proportion of ownership interests held equals the voting rights held by the Group. The principal subsidiaries below are all limited liability companies incorporated in PRC.

Name	Principal activities and place of operation	Particulars of issued share capital <i>RMB’000</i>	Ownership interest held by the Group	
			Direct	Indirect
Sichuan Chengle Expressway Company Limited (“Chengle Company”)	Construction and operation of Chengle Expressway	560,790	100	–
Chengdu Chengbei Exit Expressway Company Limited (“Chengbei Company”)	Construction and operation of Chengbei Exit Expressway and Qinglongchang Bridge	220,000	60	–
Sichuan Shudao Chengyu Investment Co., Ltd. (“Shudao Chengyu Investment”)	Investment holding	152,773	100	–
Sichuan Shuxia Industrial Company Limited (“Shuxia”)	Service area operation	200,000	100	–
Sichuan Shunan Investment Management Company Limited	Construction project management and construction of roads	200,000	100	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

1 GENERAL INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name	Principal activities and place of operation	Particulars of issued share capital <i>RMB'000</i>	Ownership interest held by the Group	
			Direct	Indirect
Sichuan Suiguang-Suixi Expressway Company Limited	Construction and operation of Suiguang Expressway and Suixi Expressway	3,573,380	100	–
Sichuan Chengqiongya Expressway Company Limited	Construction and operation of Tianqiong Expressway	1,454,870	82	–
Sichuan Chengya Expressway Oil Supply Company Limited	Management of gas stations along expressways	27,200	51	–
Chengyu Logistics Company Limited	Logistics service	50,000	–	100
Sichuan Zhonglu Energy Company Limited	Management of gas stations along expressways	52,000	51	–
Sichuan Chengyu New Energy Construction Co., LTD. (Former name: Chengdu Shuhong Property Company Limited)	Construction project management	100,000	100	–
Renshou Shunan Investment Management Company Limited	Construction project management	100,000	–	100
Ziyang Shunan Chengxing Project Construction & Management Company Limited	Construction project management	157,600	–	94.99
Lushan County Shuhan Engineering Construction Management Company Limited ("Lushan Shuhan")	Construction project management	20,000	–	94.99
Lushan County Shunan Engineering Construction Project Management Company Limited ("Lushan Shunan")	Construction project management	74,000	–	89.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

1 GENERAL INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name	Principal activities and place of operation	Particulars of issued share capital RMB'000	Ownership interest held by the Group	
			Direct	Indirect
Sichuan Chengyu Xingshu Supply Chain Management Co., Ltd	Logistics trade business	200,000	–	51
Sichuan Multimodal United Transportation Investment and Development Co., Ltd. ("Multimodal United Transportation Company")	Logistics trade business	1,000,000	51	–
Sichuan Shudao New Energy Technology Development Co., Ltd ("Shudao New Energy Technology")	New energy service	480,000	100	–
Sichuan Rongcheng Second Ring Expressway Development Co., Ltd ("Rongcheng Second Ring Company")	Construction and operation of Second Ring Western Expressway	684,210	100	–
Sichuan Chengya Expressway Co., Ltd.	Construction of Chengya Expressway Expansion Construction Project	100,000	85	–

All the above subsidiaries are registered as domestic enterprises with limited liability under PRC law and all of them operate in Mainland China.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

These financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated and were approved for issue by the Board of Directors of the Company on 30 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Compliance with HKFRS Accounting Standards and HKCO

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and requirements of the Hong Kong Companies Ordinance Cap. 622. HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards,
- Hong Kong Accounting Standards, and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

(ii) Going concern basis

As at 31 December 2025, the Group had cash and cash equivalents of RMB4,373,863,000 and borrowings of RMB1,360,538,000 due in 2026. Also, the Group had capital commitment amounting to RMB23,770,226,000. Historically, the Group's ability to continue as a going concern is primarily dependent on the cash flows generated from operations and borrowings from financial institutions. In preparing the consolidated financial statements, the Board of directors has carried out a review over the Group's going concern ability based on its financial condition and operating results.

Taking into consideration the Group's further cash inflow from operations, unutilised banking facilities, the Group's credit standing and history of cooperation with banks and other financial institutions and projected cash flows for a period not less than 12 months starting from the period end of the financial statements, the directors believe that the Group will have sufficient source of financing to enable it to operate, as well as to meet its liabilities as and when they become due for the next 12 months from 31 December 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

(iii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss and certain equity investments at fair value through other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

- (i) **The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2025:**

Standards, Amendments or Interpretations	Subject
Amendments to HKAS 21	Lack of Exchangeability;
The amendment listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.	

- (ii) **New and amended standards and interpretations not yet adopted**

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below.

Standards, Amendments or Interpretations	Subject	Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	1 January 2026
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate</i>	To be determined
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

(ii) New and amended standards and interpretations not yet adopted (Continued)

Management is currently assessing the detailed implications of applying HKFRS 18 on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss and other comprehensive income into the new categories will impact how operating profit is calculated and presented.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there might be significant new disclosures required for:
 - (a) management-defined performance measures;
 - (b) a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss and other comprehensive income – this break-down is only required for certain nature expenses; and
 - (c) for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss and other comprehensive income between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the standard mentioned above, other standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, trade and other receivables, trade and other payables, term deposits with banks, cash and cash equivalents, and restricted deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. It is the Group's policy that no trading in financial instruments shall be undertaken.

Risk management is carried out by the finance department which is led by the Group's executive directors. The main risks arising from the Group's financial instruments are market risk, liquidity risk and credit risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Market risk

(a) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates linked to LPR which expose the Group to interest rate risk. As at 31 December 2025, if the market interest rate had been increased/decreased 100 basis points with all variable held borrowings, profit for the year ended 31 December 2025 would have been decreased/increased by RMB226,007,000 (31 December 2024: RMB196,333,000). An analysis by maturities is provided in Note 3.1(ii).

(b) Price risk

The Group's exposure to price risk arises from investments held by the Group and classified in the statement of financial position as at fair value through other comprehensive income ("FVOCI") or at fair value through profit or loss ("FVPL") disclosed in Note 19 and Note 24.

To manage its price risk arising from the investments, the Group closely monitors the price trend in the public market to consider these investments to be strategic in nature or be traded in a short period.

As at 31 December 2025, if the price had been increased/decreased 10 percents with FVOCI and FVPL, total comprehensive income for the year ended 31 December 2025 would have been increased/decreased by RMB26,304,000 (31 December 2024: RMB34,146,000).

The majority of the Group's equity investments are publicly traded in the Shanghai Stock Exchange and Shenzhen Stock Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(i) *Market risk (Continued)*

(c) *Foreign exchange risk*

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group operates in the PRC with most of the transactions settled in RMB, and the functional currency of the Company and the subsidiaries is RMB. The management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group's entities.

(ii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents or to adjust financing arrangements to meet the Group's liquidity requirements.

The Group issued the perpetual bonds amounted to RMB3,199,900,000 containing no contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group. The perpetual bonds issued included no terms and arrangements that the bonds must or will alternatively be settled in the Group's own equity instruments. The Group classifies perpetual bonds issued as other equity instruments (Note 31(d)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

	31 December 2025					Total RMB'000
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	
Lease liabilities	-	1,981	25,400	68,879	5,328	101,588
Interest-bearing bank and other borrowings (excluding lease liabilities)	-	286,073	2,285,695	13,012,384	31,758,459	47,342,611
Trade and other payables	659,156	128,117	1,067,328	-	-	1,854,601
	659,156	416,171	3,378,423	13,081,263	31,763,787	49,298,800

	31 December 2024					Total RMB'000
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	
Lease liabilities	-	4,111	29,669	85,819	10,828	130,427
Interest-bearing bank and other borrowings (excluding lease liabilities)	-	503,064	3,019,712	14,788,249	28,616,535	46,927,560
Trade and other payables	590,461	294,372	1,380,644	-	-	2,265,477
	590,461	801,547	4,430,025	14,874,068	28,627,363	49,323,464

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Credit risk

The Group is exposed to credit risk in relation to certain financial assets, of which the carrying amounts represent the Group's maximum exposure to the credit risk. The expected credit losses ("ECLs") arising from the credit risk are presented as "net impairment losses on financial assets" in the consolidated statement of profit or loss and comprehensive income.

(a) Cash and cash equivalents, term deposits with banks and restricted deposits

To manage credit risk arising from cash and cash equivalent, term deposits with banks and restricted deposits, the Group only transacts with state-owned or reputable financial institutions. Primarily these instruments are considered to have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flows obligations in the near term. The identified credit losses are immaterial.

(b) Trade and other receivables

To manage credit risk arising from trade and other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. Group's major customers in the construction contracts segment are the PRC government agencies and other state-owned enterprises. For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. For trade and other receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the general approach in calculating ECLs. For trade receivables that contain a significant financing component and other receivables that are subject to impairment under the general approach, are classified within the following stages for measurement of ECLs.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

- (c) The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy and the amounts presented are gross carrying amounts for financial assets and the exposure to credit risk.

	31 December 2025				
	General approach			Simplified	Total
	Stage 1	Stage 2	Stage 3	approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	427,909	997,139	-	193,719	1,618,767
Other receivables	327,559	-	89,332	-	416,891
Restricted deposits	12,741	-	-	-	12,741
Term deposits with banks	66,500	-	-	-	66,500
Cash and cash equivalents	4,373,863	-	-	-	4,373,863
	5,208,572	997,139	89,332	193,719	6,488,762

	31 December 2024				
	General approach			Simplified	Total
	Stage 1	Stage 2	Stage 3	approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	394,395	968,502	-	240,153	1,603,050
Other receivables	231,576	21,000	99,947	-	352,523
Restricted deposits	972	-	-	-	972
Cash and cash equivalents	2,957,256	-	-	-	2,957,256
	3,584,199	989,502	99,947	240,153	4,913,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

(d) The tables below show the impairment losses on financial assets

	31 December 2025				
	General approach			Simplified	Total
	Stage 1	Stage 2	Stage 3	approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	-	(39,336)	-	(79,710)	(119,046)
Other receivables	-	-	(89,332)	-	(89,332)
Restricted deposits	-	-	-	-	-
Term deposits with banks	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
	-	(39,336)	(89,332)	(79,710)	(208,378)

	31 December 2024				
	General approach			Simplified	Total
	Stage 1	Stage 2	Stage 3	approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	-	(39,324)	-	(5,873)	(45,197)
Other receivables	-	(10,500)	(99,947)	-	(110,447)
Restricted deposits	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
	-	(49,824)	(99,947)	(5,873)	(155,644)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

- (e) The loss allowances for trade and other receivables as at 31 December reconcile to the opening loss allowances as follows:

	Trade receivables		Other receivables		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening loss allowance at 1 January	45,197	3,678	110,447	134,406	155,644	138,084
Provision/(reversal) of loss allowance	73,849	41,519	(21,115)	(23,959)	52,734	17,560
Closing loss allowance at 31 December	119,046	45,197	89,332	110,447	208,378	155,644

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.2 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is the Group's total liabilities over its total assets. The Group's policy is to keep the gearing ratio at a healthy capital level in order to support its businesses. The Group's gearing ratio as at 31 December 2025 was 66.70% (31 December 2024: 68.06%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining the fair values, the Group has classified its financial instruments into three levels prescribed under the accounting standards.

The Group analyses its financial instruments carried at fair values by level of the inputs to valuation techniques used to measure the fair values. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs)

The following tables present the Group's assets and liabilities that are measured at fair value as at 31 December 2025 and 2024.

	31 December 2025			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Equity investments designated at FVOCI				
– Listed equity investments	287,537	–	–	287,537
– Unlisted equity investments	–	–	14,380	14,380
Financial assets at FVPL				
– Listed equity investments	520	–	–	520
– Unlisted investments	–	–	41,180	41,180
	288,057	–	55,560	343,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(i) Fair value hierarchy (Continued)

	31 December 2024			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Equity investments designated at FVOCI				
– Listed equity investments	284,937	–	–	284,937
– Unlisted equity investments	–	–	11,168	11,168
Financial assets at FVPL				
– Listed equity investments	491	–	–	491
– Unlisted investments	–	–	44,862	44,862
	285,428	–	56,030	341,458

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2024: nil).

(ii) Valuation techniques used to determine fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to measure financial instruments of level 2 and level 3 include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The discounted cash flows model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- The latest round financing, i.e. the prior transaction price or the third-party pricing information; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following tables present the movement of level 3 items which use significant unobservable inputs in determining their fair values for the years ended 31 December 2025 and 2024. The Group determines transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfer. The Group has no transfer between levels of fair value hierarchy in 2025 and 2024.

	Unlisted equity investment at FVOCI RMB'000	Unlisted investments at FVPL RMB'000	Total RMB'000
Opening balance as at 1 January 2024	9,570	34,017	43,587
Gains recognised in other comprehensive income	1,598	–	1,598
Gains recognised in other income and gains	–	10,845	10,845
Closing balance as at 31 December 2024	11,168	44,862	56,030
Gains recognised in other comprehensive income	3,212	–	3,212
Losses recognised in other income and gains	–	(3,682)	(3,682)
Closing balance as at 31 December 2025	14,380	41,180	55,560

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(iv) Valuation process, inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and how a reasonable change in the input would affect the fair value.

The Group has a team that manages the valuation of financial instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair values of the Group's level 2 and level 3 instruments. External valuation experts will be involved when necessary.

The Group's level 3 instruments are listed in the table in Note 3.3(i). As these instruments are not traded in active markets, their fair values have been determined using various applicable valuation techniques, including discounted cash flows, market approach, etc.

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

	Fair value		Un-observable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2025 RMB'000	2024 RMB'000		2025	2024	
Unlisted equity investment at FVOCI	14,380	11,168	Discount for lack of marketability	26%-30%	25%-30%	Negative
Unlisted investments at FVPL	41,180	44,862	EV/EBITDA (2024: P/E)	35.46	50.78	Positive

(v) The carrying amounts of the Group's financial assets and financial liabilities measured at amortised cost approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that might have a financial impact on the entity and that are believed to be reasonable and possible under the circumstances.

4.1 Critical accounting estimates

(i) Amortisation of service concession arrangements

Amortisation of service concession arrangements is calculated under the unit-of-usage method, whereby the amortisation is provided based on the share of traffic volume in a particular period over the projected total traffic volume throughout the periods for which the Group is granted to operate those service concession arrangements. The projected total traffic volume over the respective concession periods could change significantly. The Group reviews regularly the projected total traffic volume throughout the operating periods of the respective service concession arrangements. If it is considered appropriate, independent professional traffic studies will be performed. Appropriate adjustment will be made should there be a material change in the projected total traffic volume.

(ii) Impairment losses on trade and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the credit profile, ageing, different repayment scenarios, the credit enhancement measures, external credit ratings and industry classification of different customers, as well as forward-looking adjustment factors including GDP and PPI at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1.

(iii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose an appropriate discount rate in order to calculate the present value of those cash flows. Details of key assumptions are disclosed in Note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

4 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Critical accounting estimates (Continued)

(iv) Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in Note 3.3 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments as at 31 December 2025 was RMB55,560,000 (31 December 2024: RMB56,030,000).

(v) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets at 31 December 2025 was RMB79,238,000 (31 December 2024: RMB109,675,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

4 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

4.2 Critical accounting judgements

(i) Revenue recognition

The Group applies judgements in determining whether it is principally involved in the trading of goods. The Group obtains the control of the goods from the other party that it then transfers to the customers, considering the Group is primarily responsible for fulfilling the promise to provide the specified good, has inventory risk before the specified good has been transferred to a customer and has discretion in establishing the price for the specified good or service, the Group is able to control the goods before transferring to the customers, and concludes that it acts as a principal and recognises revenue in the gross amount.

5 SEGMENT INFORMATION

5.1 Description of segments and principal activities

For management purposes, the Group is organised into business units based on their services and products and has six reportable operating segments as follows:

- the expressways segment comprises the operation of expressways and a high-grade toll bridge in Mainland China;
- the construction services segment comprises the provision of construction and upgrade services under the service concession arrangements and construction contracts;
- the transportation services segment comprises the provision of advertising services, the rental of properties along expressways, the operation of gas stations along expressways and the sale of oil products;
- the transportation logistics segment comprises the sale of commodity logistics trade business;
- the new energy technologies segment comprises the provision of charging services for electric vehicles and the sale of charger modules; and
- others segment mainly comprises financial investments.

The senior management of the Company monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that net impairment losses on financial assets, other expenses and unallocated other income and gains, as well as unallocated administrative expenses and selling expenses are excluded from such measurement. Interest income arising from construction contracts, road compensation income, dividend income and fair value gain on financial assets at FVPL are allocated in segment results of construction services, expressways and others respectively. Selling expenses are allocated in segment results of transportation services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5 SEGMENT INFORMATION (CONTINUED)

5.1 Description of segments and principal activities (Continued)

Segment assets exclude deferred tax assets, restricted deposits, term deposits with banks, cash and cash equivalents, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and dividend payable as these liabilities are managed on a group basis.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

5.2 Segment information

Year ended 31 December 2025

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue	4,685,565	1,845,523	1,931,749	11,585	98,707	-	8,573,129
Segment cost of sales	(2,064,669)	(1,843,717)	(1,723,781)	(8,858)	(58,110)	-	(5,699,135)
Segment results	2,134,420	41,018	152,649	3,127	39,760	31,542	2,402,516
<i>Reconciliation:</i>							
Net impairment losses on financial assets							(52,734)
Other expenses							(29,870)
Unallocated other income and gains							65,026
Unallocated administrative expenses and selling expenses							(481,888)
Profit before tax							1,903,050

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5 SEGMENT INFORMATION (CONTINUED)

5.2 Segment information (Continued)

Year ended 31 December 2024

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue	4,777,135	2,805,834	2,266,635	283,740	114,056	-	10,247,400
Segment cost of sales	(1,962,142)	(2,802,514)	(2,014,860)	(273,818)	(83,071)	(2)	(7,136,407)
Segment results	2,038,436	64,348	198,379	8,979	30,225	37,688	2,378,055
<i>Reconciliation:</i>							
Net impairment losses on financial assets							(17,560)
Other expenses							(42,241)
Unallocated other income and gains							103,792
Unallocated administrative expenses and selling expenses							(551,612)
Profit before tax							1,870,434

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5 SEGMENT INFORMATION (CONTINUED)

5.2 Segment information (Continued)

31 December 2025

	Expressways RMB'000	Construction Services RMB'000	Transportation Services RMB'000	Transportation Logistics RMB'000	New Energy Technologies RMB'000	Others RMB'000	Total RMB'000
Segment assets	55,597,916	2,015,266	282,756	295,977	383,626	358,774	58,934,315
<i>Reconciliation:</i>							
Financial assets at fair value through other comprehensive income							301,917
Financial assets at fair value through profit or loss							41,700
Deferred tax assets							79,238
Term deposits with banks							66,500
Restricted deposits							12,741
Cash and cash equivalents							4,373,863
Total assets							63,810,274
Segment liabilities	40,337,116	1,667,912	139,844	80,229	98,153	228,005	42,551,259
<i>Reconciliation:</i>							
Deferred tax liabilities							10,536
Total liabilities							42,561,795
Other segment information							
For year ended 31 December 2025							
Share of profits and losses of associates	11,771	-	-	403	-	29,349	41,523
Share of profits and losses of joint ventures	578	-	-	-	-	-	578
Finance costs	553,964	38,738	784	3	775	5,252	599,516
Depreciation and amortisation	1,220,551	4,337	41,846	5,124	22,553	336	1,294,747
Capital expenditure*	2,458,317	8,359	54,787	804	49,590	39	2,571,896
31 December 2025							
Investments in associates	70,345	-	-	72,323	-	357,018	499,686
Investments in joint ventures	28,389	-	-	-	-	-	28,389

* Capital expenditure consists of additions to service concession arrangements and property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5 SEGMENT INFORMATION (CONTINUED)

5.2 Segment information (Continued)

31 December 2024

	Expressways RMB'000	Construction Services RMB'000	Transportation Services RMB'000	Transportation Logistics RMB'000	New Energy Technologies RMB'000	Others RMB'000	Total RMB'000
Segment assets	54,336,677	1,898,658	338,275	326,472	367,116	355,472	57,622,670
<i>Reconciliation:</i>							
Financial assets at fair value through other comprehensive income							296,105
Financial assets at fair value through profit or loss							45,353
Deferred tax assets							109,675
Restricted deposits							972
Cash and cash equivalents							2,957,256
Total assets							61,032,031
Segment liabilities	39,307,011	1,663,375	139,247	55,556	135,917	228,439	41,529,545
<i>Reconciliation:</i>							
Dividend payables							315
Deferred tax liabilities							6,545
Total liabilities							41,536,405
Other segment information							
For year ended							
31 December 2024							
Share of profits and losses of associates	12,121	-	-	(887)	-	24,343	35,577
Share of profits and losses of joint ventures	882	-	-	-	-	-	882
Finance costs	824,768	24,419	846	2	760	1,137	851,932
Depreciation and amortisation	1,216,459	5,652	30,457	612	19,373	332	1,272,885
Capital expenditure*	3,320,856	2,761	7,715	86,586	120,515	42	3,538,475
31 December 2024							
Investments in associates	70,762	-	-	71,920	-	341,885	484,567
Investments in joint ventures	27,811	-	-	-	-	-	27,811

* Capital expenditure consists of additions to service concession arrangements and property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5 SEGMENT INFORMATION (CONTINUED)

5.3 Geographical information

The Group is domiciled in Mainland China. All external revenues of the Group are generated in Mainland China. The Group's non-current assets are all located in Mainland China. Thus, no geographic segment information is presented.

5.4 Information about major customers

During the years ended 31 December 2025 and 2024, no revenue derived from a single customer accounted for 10% or more of the Group's total revenue.

6 REVENUE

(a) Disaggregated revenue information for revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	8,517,813	10,192,344
Revenue from other sources:		
Gross rental income from operating leases	55,316	55,056
	8,573,129	10,247,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

6 REVENUE (CONTINUED)

(a) Disaggregated revenue information for revenue from contracts with customers (Continued)

Year ended 31 December 2025

	Expressways RMB'000	Construction Services RMB'000	Transportation Services RMB'000	Transportation Logistics RMB'000	New Energy Technologies RMB'000	Total RMB'000
Types of goods or services						
Toll income	4,685,565	-	-	-	-	4,685,565
Construction services	-	1,845,523	-	-	-	1,845,523
Sale of products	-	-	1,849,556	3,047	5,769	1,858,372
Charging services for electric vehicles	-	-	-	-	74,820	74,820
Others	-	-	26,877	8,538	18,118	53,533
Total revenue from contracts with customers	4,685,565	1,845,523	1,876,433	11,585	98,707	8,517,813
Timing of revenue recognition						
At a point in time	4,685,565	-	1,876,433	11,585	5,769	6,579,352
Over time	-	1,845,523	-	-	92,938	1,938,461
Total revenue from contracts with customers	4,685,565	1,845,523	1,876,433	11,585	98,707	8,517,813

Year ended 31 December 2024

	Expressways RMB'000	Construction Services RMB'000	Transportation Services RMB'000	Transportation Logistics RMB'000	New Energy Technologies RMB'000	Total RMB'000
Types of goods or services						
Toll income	4,777,135	-	-	-	-	4,777,135
Construction services	-	2,805,834	-	-	-	2,805,834
Sale of products	-	-	2,135,083	283,740	52,398	2,471,221
Charging services for electric vehicles	-	-	-	-	47,832	47,832
Others	-	-	76,496	-	13,826	90,322
Total revenue from contracts with customers	4,777,135	2,805,834	2,211,579	283,740	114,056	10,192,344
Timing of revenue recognition						
At a point in time	4,777,135	-	2,211,579	283,740	52,398	7,324,852
Over time	-	2,805,834	-	-	61,658	2,867,492
Total revenue from contracts with customers	4,777,135	2,805,834	2,211,579	283,740	114,056	10,192,344

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

6 REVENUE (CONTINUED)

(b) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities (Note 26) and how much relates to performance obligations that were satisfied in prior periods:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the year:		
Sale of goods	8,359	14,338
Charging services for electric vehicles	1,096	5,231
	9,455	19,569

(c) Performance obligations

Toll income

The performance obligation is satisfied when the relevant services have been provided upon the completion of passing through the expressway.

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 20 to 180 days from delivery, except for new customers, where payment in advance is normally required.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days to 13 years from the date of billing.

Charging services for electric vehicles

The performance obligation is satisfied over time as the service of the electricity transmission is rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

6 REVENUE (CONTINUED)

(c) Performance obligations (Continued)

The following table shows unsatisfied performance obligations:

	2025 RMB'000	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	5,180,777	2,474,920
After one year	16,747,696	3,206,253
	21,928,473	5,681,173

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to the provision of the construction and upgrade services, of which the performance obligations are to be satisfied within two to four years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6.1 Accounting policies of revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, considering the practical expedient in HKFRS 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

6 REVENUE (CONTINUED)

6.1 Accounting policies of revenue recognition (Continued)

(i) Revenue from contracts with customers (Continued)

(a) Toll income

Revenue from the provision of road operation services is recognised at the point of time when the relevant services have been provided and the Group has received the payment or the right to receive payment has been established. The performance obligation is satisfied when the relevant services have been provided upon the completion of passing through the expressway.

(b) Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

(c) Provision of the construction and upgrade services under service concession arrangements

The Group recognises revenue associated with construction and upgrade services provided under the service concession arrangements in accordance with HKFRS 15 Revenue from Contracts with Customers and IFRIC 12 Service Concession Arrangements.

Revenue generated from construction and upgrade services rendered by the Group is measured at fair value of the consideration received or receivable. The consideration represents the rights to obtain an intangible asset to operate according to the respective arrangement.

The Group uses the input method to determine the appropriate amount of revenue to be recognised in a given period, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The stage of completion is measured by reference to the construction costs of the related infrastructure incurred up to the end of the reporting period as a percentage of the total estimated costs for each contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

6 REVENUE (CONTINUED)

6.1 Accounting policies of revenue recognition (Continued)

(i) Revenue from contracts with customers (Continued)

(d) Sale of products

Revenue from the sale of products is recognised at the point in time when control of the products is transferred to the customer, generally on delivery of the products.

(e) Provision of charging services for electric vehicles

For the provision of charging services for electric vehicles, revenue is recognised over time as the service of electricity transmission is rendered.

(f) Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

(ii) Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

7 OTHER INCOME AND GAINS

	2025	2024
	RMB'000	RMB'000
Other income		
Interest income arising from construction contracts	75,408	85,447
Interest income from bank deposits	20,112	38,827
Government grants*	30,271	43,208
Road compensation income	52,012	32,205
Dividend income from financial assets at fair value through other comprehensive income	10,596	6,492
Rental income from operating leases of other lease payments, including fixed payments	8,983	8,196
Dividend income from financial assets at fair value through profit or loss	25	25
Profit on disposal of property, plant and equipment	2,455	–
Others	5,660	13,561
Total other income	205,522	227,961
Other gains		
Fair value gain on financial assets at fair value through profit or loss	–	10,970
Total other income and gains	205,522	238,931

* There were no unfulfilled conditions or contingencies relating to these grants.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

8 FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	RMB'000	RMB'000
Interest on bank and other borrowings	1,050,318	1,345,769
Interest on medium-term notes	2,070	24,787
Interest on corporate bonds	46,255	28,239
Interest on lease liabilities	4,858	5,813
	1,103,501	1,404,608
Less:		
Interest capitalised in respect of:		
Service concession arrangements (<i>Note 15</i>)	(503,985)	(552,676)
	599,516	851,932
Interest rate of borrowing costs capitalised	2.87%-3.05%	3.47%-3.65%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

9 PROFIT BEFORE TAX

Profit before tax includes the following items that are material or unusual because of their nature, size, or incidence:

	2025 RMB'000	2024 RMB'000
Employee benefit expenses (including directors', chief executive's and supervisors' remuneration):		
Wages and salaries	647,465	656,667
Pension scheme contributions*		
– Defined contribution fund	90,004	91,353
Housing fund*		
– Defined contribution fund	72,436	69,908
Supplementary pension scheme*		
– Defined contribution fund	49,438	49,232
Other staff benefits	152,781	137,531
Employee benefit expense**	1,012,124	1,004,691
Depreciation of property, plant and equipment (Note 14)	140,216	133,475
Amortisation of service concession arrangements (Note 15)	1,100,391	1,080,443
Depreciation of right-of-use assets (Note 16)	54,140	58,967
Depreciation and amortisation expenses**	1,294,747	1,272,885
Construction costs in respect of:		
Service concession arrangements (Note 15)	1,798,002	2,703,361
Construction works performed for other parties	43,490	90,906
Construction costs**	1,841,492	2,794,267
Cost of product sales	1,605,559	2,171,165
Repairs and maintenance	341,303	304,843
Impairment losses on trade and other receivables	52,734	17,560
Cost of charging services	23,162	12,966
Auditor's remuneration	3,786	3,386
– Audit	2,197	2,197
– Non-audit	1,589	1,189
Fair value losses on financial assets at fair value through profit or loss	3,653	–
Lease payments not included in the measurement of lease liabilities	2,654	3,452
Loss on disposal of property, plant and equipment	–	20,221
Loss on deemed disposal of investments in an associate	–	8,380
Foreign exchange losses, net	–	2,616

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

** During the year, employee costs of RMB74,474,000 (2024: RMB66,195,000), and depreciation and amortisation charges of RMB6,027,000 (2024: RMB6,598,000) were included in construction costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10 DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Fees	320	320
Other emoluments:		
Salaries, allowances and benefits in kind	4,875	4,671
Pension scheme contributions	275	300
Supplementary pension scheme contributions	324	381
	5,474	5,352
	5,794	5,672

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Madam Bu Danlu (i)	80	80
Mr. Luo Hong (ii)	–	–
Mr. Yan Qixiang (iii)	–	13
Mr. Yu Haizong	80	80
Mr. Zhang Qinghua (iv)	–	53
Mr. Zhou Hua (v)	80	67
Mr. Jiang Tao (vi)	80	27
	320	320

- (i) Madam Bu Danlu resigned as an independent non-executive director of the Company on 24 December 2025.
- (ii) Mr. Luo Hong was appointed as the Company's independent non-executive director on 24 December 2025.
- (iii) Mr. Yan Qixiang resigned as an independent non-executive director of the Company on 1 February 2024.
- (iv) Mr. Zhang Qinghua resigned as an independent non-executive director of the Company on 3 September 2024.
- (v) Mr. Zhou Hua was appointed as the Company's independent non-executive director on 1 February 2024.
- (vi) Mr. Jiang Tao was appointed as the Company's independent non-executive director on 3 September 2024.

There are no other emoluments payable to the independent non-executive directors during the year (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10 DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(b) Executive and non-executive directors

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance Related bonuses <i>RMB'000</i>	Pension Scheme contributions <i>RMB'000</i>	Supplementary pension scheme contributions <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
2025					
Executive directors:					
Mr. Luo Zuyi (i)	810	-	44	54	908
Mr. You Zhiming	810	-	44	56	910
Madam Ma Yonghan	648	-	44	50	742
Mr. Yao Jiancheng (ii)	648	-	44	51	743
Madam Mao Yurong (iii)	619	-	-	-	619
	3,535	-	176	211	3,922
Non-executive directors:					
Mr. Li Chengyong	-	-	-	-	-
Mr. Yang Shaojun (iv)	-	-	-	-	-
Mr. Chen Chaoxiong	-	-	-	-	-
	-	-	-	-	-
	3,535	-	176	211	3,922

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10 DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(b) Executive and non-executive directors (Continued)

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance Related bonuses <i>RMB'000</i>	Pension Scheme contributions <i>RMB'000</i>	Supplementary pension scheme contributions <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
2024					
Executive directors:					
Mr. Luo Zuyi (i)	602	–	32	42	676
Mr. Li Wenhui (v)	201	–	10	17	228
Mr. You Zhiming	647	–	43	55	745
Madam Ma Yonghan	642	–	43	54	739
Mr. Yao Jiancheng (ii)	647	–	43	55	745
Madam Mao Yurong (iii)	54	–	–	–	54
	2,793	–	171	223	3,187
Non-executive directors:					
Mr. Li Chengyong	–	–	–	–	–
Mr. Wu Xinhua	–	–	–	–	–
Mr. Yang Shaojun (iv)	–	–	–	–	–
Mr. Chen Chaoxiong	–	–	–	–	–
	–	–	–	–	–
	2,793	–	171	223	3,187

(i) Mr. Luo Zuyi was appointed as the Company's executive director on 9 April 2024.

(ii) Mr. Yao Jiancheng was appointed as the Company's executive director on 9 January 2024.

(iii) Madam Mao Yurong was appointed as the Company's executive director on 20 November 2024.

(iv) Mr. Yang Shaojun was appointed as the Company's non-executive director on 20 November 2024.

(v) Mr. Li Wenhui resigned as the Company's executive director on 8 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10 DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(c) Supervisors

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance Related bonuses <i>RMB'000</i>	Pension Scheme contributions <i>RMB'000</i>	Supplementary pension scheme contributions <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
2025					
Mr. Luo Maoquan	181	-	11	15	207
Mr. Wang Yao	-	-	-	-	-
Madam Li Tao	647	-	44	51	742
Madam Gao Ying	-	-	-	-	-
Madam Lu Xiaoyan	512	-	44	47	603
	1,340	-	99	113	1,552

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance Related bonuses <i>RMB'000</i>	Pension Scheme contributions <i>RMB'000</i>	Supplementary pension scheme contributions <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
2024					
Mr. Luo Maoquan	720	-	43	62	825
Mr. Ling Xiyun	-	-	-	-	-
Mr. Wang Yao	-	-	-	-	-
Madam Li Tao	647	-	43	54	744
Madam Gao Ying	-	-	-	-	-
Madam Lu Xiaoyan	511	-	43	42	596
	1,878	-	129	158	2,165

Upon approval by the Shareholders at the EGM, the Company has abolished the establishment of the Supervisory Committee with effect from 13 August 2025.

There was no arrangement under which a supervisor waived or agreed to waive any remuneration during the year (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10 DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

- (d) The five highest paid employees during the year included four directors (2024: two) and zero supervisors (2024: two), details of whose remuneration are set out above. Details of the remuneration for the year of the remaining one (2024: one) highest paid employees who are neither a director, chief executive nor supervisor of the Company are as follows.

	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	651	676
Pension scheme contributions	44	43
Supplementary pension scheme contributions	50	57
	745	776

Remuneration of the above non-director, non-chief executive and non-supervisor highest paid employees during the year and the prior year was below HK\$1,000,000.

In addition to the amounts disclosed above, three non-executive directors (2024: four) and two supervisors (2024: three) did not receive any remuneration from the Company in 2025. They are respectively the senior executives and directors of Shudao Investment and China Merchants Expressway Network & Technology Holdings Company Limited, which holds a 24.88% interest in the Company. In the opinion of the directors, it is not practicable to apportion these amounts between their services as directors and supervisors of the Company and their services as senior executives and directors of the above companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10 DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(e) Directors' retirement benefits and termination benefits

For the years ended 31 December 2025 and 2024, no special retirement and termination benefits plans to the directors for the year except for the plans to all the Group's employees mentioned in Note 9. No other retirement and termination benefits were paid to or receivable by those directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

(f) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025, the Company did not provide any consideration to any third party for making available director's services (2024: nil).

(g) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2025, no loans, quasi-loans or other dealings in favour of directors of the Company, controlled bodies corporate by and connected entities with such directors (2024: nil).

(h) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

11 INCOME TAX EXPENSE

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong by the Group during the year.

Except for the companies mentioned below that are entitled to a preferential tax rate, the subsidiaries, associates, and joint ventures of the Company are required to pay corporate income tax at the standard tax rate of 25%.

Pursuant to the Circular on the Continuation of Western Development Strategies of the State Administration of Taxation, the Ministry of Finance and National Development and Reform Commission ("Circular [2020] No. 23"), the tax preferential treatments for the Western Region Development are valid until 2030. According to the Circular [2020] No. 23, "from 1 January 2021 to 31 December 2030, corporate income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries prescribed in the Catalogue if the income which is within the Catalogue accounts for more than 60% of the total income of such enterprises."

For entities within the scope of the transportation industry, i.e., the Company, Chengle Company, Chengbei Company, Rongcheng Second Ring Company and Chengdu Airport Expressway Company Limited ("Chengdu Airport Expressway"), an associate of the Company, are entitled to a preferential tax rate of 15%.

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025	2024
	RMB'000	RMB'000
Current income tax		
Provision for the year	321,706	340,424
Under/(over) provision in prior years	7,786	(12,641)
Deferred income tax	25,945	3,126
	355,437	330,909

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

11 INCOME TAX EXPENSE (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for companies within the Group to the tax expense at the Group's effective tax rate, is as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Profit before tax	1,903,050	1,870,434
Tax at the applicable tax rates	294,976	292,451
Income not subject to tax	(2,338)	(1,329)
Expenses not deductible for tax	3,061	2,592
Adjustments for current tax of prior periods	7,786	(12,641)
Profit attributable to associates and joint ventures	(8,211)	(6,741)
Tax losses and deductible temporary differences not recognised	62,510	59,031
Tax losses utilised from previous years	(2,771)	(825)
Others	424	(1,629)
Tax charge at the Group's effective tax rate	355,437	330,909

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

12 DIVIDEND

	2025 RMB'000	2024 RMB'000
Proposed final dividend – RMB0.297 (2024: RMB0.29) per ordinary share	908,244	886,838

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements have not reflected this proposed final dividend.

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

13 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDINGS OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Profit for the year attributable to ordinary equity holders of the Company as presented in the statement of profit or loss	1,515,006	1,449,447
Less: Interests to holders of other equity instruments	(89,844)	(315)
	1,425,162	1,449,132
Number of ordinary shares	3,058,060	3,058,060
	0.466	0.474

When calculating the earnings per share attributable to ordinary equity holdings of the Company for 2025, the Company has deducted the interest related to other equity instruments from profit for the year attributable to ordinary equity holders of the Company.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

14 PROPERTY, PLANT AND EQUIPMENT

	Communication			Machinery					Total
	Safety equipment	and signalling systems	Toll collection equipment	Buildings	and equipment	Motor vehicles	Leasehold improvements	Construction in progress	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025									
Cost									
At 1 January 2025	643,598	209,776	518,010	837,578	391,210	114,767	16,511	161,660	2,893,110
Additions	3,558	17,328	16,238	9,402	2,894	46,756	1,113	172,623	269,912
Disposals	(674)	(730)	(3,233)	(200)	(5,608)	(2,318)	(7,163)	-	(19,926)
Transfer	336	47,700	30,537	56,237	6,526	-	-	(141,336)	-
At 31 December 2025	646,818	274,074	561,552	903,017	395,022	159,205	10,461	192,947	3,143,096
Accumulated depreciation									
At 1 January 2025	597,134	151,944	310,806	434,061	192,544	80,010	6,720	-	1,773,219
Provided during the year (Note 9)	5,290	11,382	43,436	29,659	38,829	9,172	2,448	-	140,216
Disposals	(599)	(693)	(2,997)	-	(4,320)	(2,237)	(3,958)	-	(14,804)
At 31 December 2025	601,825	162,633	351,245	463,720	227,053	86,945	5,210	-	1,898,631
Net carrying amount									
At 1 January 2025	46,464	57,832	207,204	403,517	198,666	34,757	9,791	161,660	1,119,891
At 31 December 2025	44,993	111,441	210,307	439,297	167,969	72,260	5,251	192,947	1,244,465

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Safety equipment	Communication and signalling systems	Toll collection equipment	Buildings	Machinery and equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024									
Cost									
At 1 January 2024	636,562	212,878	460,309	746,509	300,733	107,941	14,863	184,687	2,664,482
Additions	3,306	328	57,867	35,761	94,787	11,653	1,648	77,088	282,438
Disposals	(4,321)	(3,430)	(12,169)	-	(8,677)	(4,827)	-	(20,386)	(53,810)
Transfer	8,051	-	12,003	55,308	4,367	-	-	(79,729)	-
At 31 December 2024	643,598	209,776	518,010	837,578	391,210	114,767	16,511	161,660	2,893,110
Accumulated depreciation									
At 1 January 2024	595,386	144,682	283,372	402,959	165,512	76,729	4,019	-	1,672,659
Provided during the year (Note 9)	6,055	10,557	39,570	31,102	35,425	8,065	2,701	-	133,475
Disposals	(4,307)	(3,295)	(12,136)	-	(8,393)	(4,784)	-	-	(32,915)
At 31 December 2024	597,134	151,944	310,806	434,061	192,544	80,010	6,720	-	1,773,219
Net carrying amount									
At 1 January 2024	41,176	68,196	176,937	343,550	135,221	31,212	10,844	184,687	991,823
At 31 December 2024	46,464	57,832	207,204	403,517	198,666	34,757	9,791	161,660	1,119,891

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

14.1 Accounting policies of property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Safety equipment	10 years
Communication and signalling systems	10 years
Toll collection equipment	8 – 10 years
Buildings	15 – 40 years
Machinery and equipment	5 – 10 years
Motor vehicles	8 years
Leasehold improvements	3-10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 15.2).

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15 SERVICE CONCESSION ARRANGEMENTS

	2025 RMB'000	2024 RMB'000
Cost:		
At 1 January	64,724,501	61,468,464
Additions	2,301,987	3,256,037
At 31 December	67,026,488	64,724,501
Accumulated amortisation:		
At 1 January	(12,903,312)	(11,822,869)
Charged for the year (Note 9)	(1,100,391)	(1,080,443)
At 31 December	(14,003,703)	(12,903,312)
Net carrying amount:		
At 1 January	51,821,189	49,645,595
At 31 December	53,022,785	51,821,189

- (a) As at 31 December 2025, the concession rights pertaining to certain expressways with net carrying amounts listed below were pledged to secure bank loans granted to the Group:

	2025 RMB'000	2024 RMB'000
Chengle Expressway	15,820,668	13,964,775
Chengren Expressway	5,465,808	5,696,918
Tianqiong Expressway	7,144,218	6,891,267
Suiguang Expressway and Suixi Expressway	10,683,124	10,891,294
Second Ring (Western) Expressway	12,727,602	12,946,141
	51,841,420	50,390,395

- (b) During the year, the Group was mainly in the construction of the Chengle Expressway Expansion Construction Project, Chengya Expressway Expansion Construction Project and Tianqiong Expressway Build-Operate-Transfer ("BOT") Project. As at 31 December 2025, total cost of RMB2,301,987,000 (2024: RMB3,256,037,000) included construction costs of RMB1,798,002,000 (2024: RMB2,703,361,000) which was mainly sub-contracted to third party subcontractors and borrowing costs of RMB503,985,000 (2024: RMB552,676,000) (Note 8).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15 SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

- (c) For the year ended 31 December 2025, construction revenue of RMB1,798,002,000 (2024: RMB2,703,361,000) was recognised mainly in respect of the construction services provided by the Group for the Chengle Expressway Expansion Construction Project, Chengya Expressway Expansion Construction Project and Tianqiong Expressways BOT Project using the input method.
- (d) As at 31 December 2025, other than land with a site area of approximately 5,816,051 square metres (31 December 2024: 5,427,106 square meters), the Group has not obtained land use right certificates of certain land occupied by Rongcheng Second Ring Company. In the opinion of the directors, there are no major obstacles for the Group to obtain these certificates, and the normal operation of Rongcheng Second Ring Company will not be adversely affected before obtaining these certificates.
- (e) During the year ended 31 December 2025 and 31 December 2024, the management of the Group identified the indicators of impairment considering that the traffic volume of Suiguang Expressway and Suixi Expressway did not meet the expectations. The management determined the service concession arrangements and relevant equipment as two cash-generating units ("CGU"), one Suiguang Expressway CGU and one Suixi Expressway CGU respectively and performed the impairment test using the method of value in use to determine the recoverable amount.

The Group engaged an independent valuer to assist the preparation of forecast of future traffic volume. The key assumptions are shown in the below table.

Assumption	Approach used to determine values
Revenue growth rate	The revenue growth rate is determined by Management based on historical performance, include the expected gross domestic product ("GDP") growth rate, relevant government policies of Western China and development plan of road network.
Pre-tax discount rate (%)	The discount rate is the pre-tax discount rate that reflects the specific risk of related assets.

The key inputs and results of the impairment assessments are as follows:

	Suiguang Expressway		Suixi Expressway	
	2025	2024	2025	2024
Revenue growth rate (%)	2.3%-32.9%	2.3%-32.9%	2.1%-37.6%	2.1%-37.5%
Pre-tax discount rate (%)	7.7%	7.9%	7.7%	7.9%
Recoverable amount (RMB'000)	8,009,439	8,266,720	5,661,437	5,786,740
Headroom (RMB'000)	1,486,326	1,632,094	1,314,558	1,374,745

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15 SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

The Group performs the sensitivity analysis based on the assumptions that revenue amount or the discount rate have been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to as below:

	Suiguang Expressway		Suixi Expressway	
	2025 RMB'000	2024 <i>RMB'000</i>	2025 RMB'000	2024 <i>RMB'000</i>
Revenue growth rate decreases by 5%	975,584	1,159,011	957,973	1,045,576
Discount rate increases by 5%	1,165,313	1,252,653	1,086,207	1,107,565

The recoverable amount of these CGU would equal its carrying amount if the key assumptions were changed individually as follows:

	Suiguang Expressway				Suixi Expressway			
	2025		2024		2025		2024	
	From %	To %	From %	To %	From %	To %	From %	To %
Revenue growth rate	2.3-32.9	2-28.7	2.3-32.9	1.9-27.5	2.1-37.6	1.8-31.5	2.1-37.5	1.7-30.5
Discount rate	7.7	9.7	7.9	9.6	7.7	10.3	7.9	10.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15 SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

15.1 Accounting policies of service concession arrangements

Service concession arrangements represent the rights to charge users of the public service that the Group obtained under the service concession arrangements. Service concession arrangements are stated at cost, that is, the fair value of the consideration received or receivable in exchange for the construction services provided under the service concession arrangements, less accumulated amortisation and any impairment losses.

Subsequent expenditures such as daily repairs and maintenance are charged to profit or loss in the period in which they are incurred. In situations where the recognition criteria are satisfied, the expenditures are capitalised as an additional cost of service concession arrangements.

Costs incurred during the period of construction of underlying assets of a service concession arrangement are recorded in the service concession arrangement, amortisation of service concession arrangements, other than gas stations, is provided on a unit-of-usage basis to write off the costs of these arrangements, based on the share of traffic volume in a particular period over the projected total traffic volume throughout the periods for which the Group is granted to operate those service concession arrangements.

Amortisation of gas stations that are recognised as part of the underlying infrastructure of the service concession arrangements is provided on the straight-line basis to write off the costs of gas stations over the periods for which the Group is granted the rights to charge users under the service concession arrangements.

It is the Group's policy to review regularly the projected total traffic volume throughout the concession periods of the respective service concession arrangements. If it is considered appropriate, independent professional traffic studies will be performed. Appropriate adjustment will be made should there be a material change in the projected total traffic volume. Suiguang Expressway and Suixi Expressway's latest forecast of future traffic volume have been renewed in 2025 with any change of estimation reflected in the current amortisation and impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15 SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

15.1 Accounting policies of service concession arrangements (Continued)

Particulars of the expressways managed and operated by the Group as at 31 December 2025 are as follows:

			Date of commencement of operations of the entire toll expressway
	Origin/destination	Approximate length (km)	
Chengyu Expressway	Chengdu/Shangjiapo	226	7 October 1997
Chengya Expressway	Chengdu/Duiyan	144	1 January 2000
Chengren Expressway	Jiangjia/Zhichanggou	107	18 September 2012
Chengle Expressway	Qinglongchang/Guliba	86	1 January 2000
Chengbei Exit Expressway	Qinglongchang/Baihelin	10	21 December 1998
Suiguang Expressway	Jinqiao interchange/ Hongtudi interchange	103	9 October 2016
Suixi Expressway	Jixiang Town/Taiping Town, Xichong County	68	9 October 2016
Second Ring (Western) Expressway	Shuangliu County/ Mengyang County	114	16 February 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15 SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

15.2 Accounting policies of impairment of non-financial assets

Where an indication of impairment exists, the asset's recoverable amount of service concession arrangements is estimated. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to profit or loss in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

16 LEASE

The Group as a lessee

The Group has lease contracts for various items of land and office buildings used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 11 to 70 years, and no ongoing payments will be made under the terms of these land leases. Leases of office buildings generally have lease terms between 1 and 16 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Office buildings RMB'000	Total RMB'000
As at 1 January 2025	197,765	40,111	237,876
Additions	-	306	306
Depreciation charge (Note 9)	(41,133)	(13,007)	(54,140)
As at 31 December 2025	156,632	27,410	184,042

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	114,955	122,798
New leases	306	18,424
Accretion of interest recognised during the year	4,858	5,813
Payments	(28,429)	(32,080)
Carrying amount at 31 December	91,690	114,955
Analysed into:		
Current portion	23,609	24,038
Non-current portion	68,081	90,917

The maturity analysis of lease liabilities is disclosed in Note 3.1 to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

16 LEASE (CONTINUED)

The Group as a lessee (Continued)

(c) *The amounts recognised in profit or loss in relation to leases are as follows:*

	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities (Note 8)	4,858	5,813
Depreciation charge of right-of-use assets (Note 9)	54,140	58,967
Expense relating to short-term leases (Note 9)	2,654	3,452
	61,652	68,232

(d) The total cash outflow for leases is disclosed in Note 33 to the financial statements.

The Group as a lessor

The Group leases its leased properties consisting office buildings and service zones under operating lease arrangements. The terms of the arrangements generally require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year ended 31 December 2025 was RMB64,299,000 (2024: RMB63,252,000), details of which are included in Note 6 and Note 7 to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

16 LEASE (CONTINUED)

16.1 Accounting policies of lease

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	11 to 70 years
Office buildings	1 to 16 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

16 LEASE (CONTINUED)

16.1 Accounting policies of lease (Continued)

(ii) Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value are recognised as an expense on a straight-line basis over the lease term.

The Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

17 INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets	28,389	27,811

Particulars of the Group's joint ventures, which were established and operate in Mainland China as at 31 December 2025, are as follows:

Name	Percentage of Ownership interest of the Group	Principal activities
Sichuan Chengyu Development Equity Investment Fund Centre (Limited Partnership) ("Chengyu Development Fund")	49.26% (direct 49.18%, indirect 0.08%)	Asset management
Sichuan Communications Network Technology Company Limited	49% (direct)	Technology service

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' profit for the year	578	882
Dividend declared during the year	-	(358)
Aggregate carrying amount of the Group's investments in joint ventures	28,389	27,811

The Group's investments in joint ventures are measured using the equity method.

The Group determines there is no significant joint ventures by considering factors such as whether they are listed companies, the proportion of the carrying amount to the Group's consolidated total assets, and the ratio of share of net profits to the Group's consolidated profit for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

18 INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	499,686	484,567

Particulars of the Group's associates, which were established and operate in Mainland China as at 31 December 2025, are as follows:

Name	Percentage of Ownership interest of the Group	Principal activities
Chengdu Airport Expressway	25%	Operation of Chengdu Airport Expressway
Sichuan Renshou Rural Commercial Bank Co., Ltd. (a)	7.474%	Banking operations
Sichuan Zhongxin Assets Management Company Limited (a)	5%	Asset management
Shudao Financial Leasing (Shenzhen) Company Limited (b)	8.6545%	Finance lease
Chengdu Communications Investment Supply Chain Management International Co., Ltd.	29%	Business services

The Group's investments in associates are accounted for using the equity method.

- (a) According to the articles of association of Sichuan Renshou Rural Commercial Bank Co., Ltd. and Sichuan Zhongxin Assets Management Company Limited, the Group has rights to appoint directors and therefore can participate in the financial and operating policy decisions of Sichuan Renshou Rural Commercial Bank Co., Ltd. and Sichuan Zhongxin Assets Management Company Limited, so as to have significant influence in these two companies' activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

18 INVESTMENTS IN ASSOCIATES (CONTINUED)

- (b) According to the article of association of Shudao Financial Leasing Company, the Group has the right to appoint directors and therefore can participate in the financial and operating policy decisions of the company so as to have significant influence in its activities.
- (c) The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' profit for the year	41,523	35,577
Dividend declared during the year	(26,404)	(16,731)
Deemed disposal of investment in an associate (b)	–	(8,380)
Aggregate carrying amount of the Group's investments in associates	499,686	484,567

The Group determines there is no significant associates by considering factors such as whether they are listed companies, the proportion of the carrying amount to the Group's consolidated total assets, and the ratio of share of net profits to the Group's consolidated profit for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Listed equity investments, at fair value		
– China Everbright Bank	94,111	104,358
– China Merchants Fund REITs (a)	193,426	180,579
	287,537	284,937
Unlisted equity investments, at fair value		
– Sichuan Intelligent Transportation System Management Company Limited	1,660	1,448
– Chengdu Chengbei Expressway Gas Station Co., Ltd.	12,720	9,720
	14,380	11,168
	301,917	296,105

- (a) As at 17 October 2024, Shudao Chengyu Investment subscribes 5.71% of China Merchants Fund REITs set up by China Merchants Fund Management Co., Ltd with a consideration of RMB199,622,000. Considering that China Merchants Fund REITs does not have an unconditional obligation to deliver cash or other financial assets to the fund holder, the Group recognised this investment as equity investments. During the year ended 31 December 2025, China Merchants Fund Management Co., Ltd declared the total distributable amounts RMB254,770,000 (2024: RMB207,090,000) under which Shudao Chengyu Investment Company was entitled to RMB14,547,000 (2024: RMB11,825,000). Shudao Chengyu Investment recorded RMB10,187,000 (2024: RMB11,138,000) as the receipt of investment and RMB4,360,000 (2024: RMB687,000) as dividend income.

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

- (b) During the year ended 31 December 2025, the Group received or was entitled dividends in the amount of RMB10,596,000 (2024: RMB6,492,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

20 PAYMENTS IN ADVANCE

	2025	2024
	RMB'000	RMB'000
In respect of:		
Construction (a)	1,028,892	1,086,782
Sandstones (b)	445,160	410,024
	1,474,052	1,496,806

- (a) Pursuant to contracts governing the relevant construction projects, prepayments were mainly made by the Group to ensure the continuous construction of Chengle Expressway Expansion Construction Project and Lushan Country Long Bao Da Construction Project.

Included in payments in advance in respect of construction, prepayments amounting to RMB822,577,000 (31 December 2024: RMB950,427,000) were made to fellow subsidiaries under control of Shudao Investment, for Chengle Expressway Expansion Construction Project and Lushan Country Long Bao Da Construction Project.

- (b) Pursuant to contracts governing the construction of Lushan County Tourist Road Construction Project, considerations arising from the construction service will be used to settle the purchase of sandstones arranged by the local government authorities, for a period over one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

21 DEFERRED TAX

(a) Deferred tax assets

	Deferred income <i>RMB'000</i>	Fair value adjustment arising from financial assets at FVOCI <i>RMB'000</i>	Deductible tax losses <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	13,168	5,474	67,893	18,879	24,371	129,785
Deferred tax credited to profit or loss during the year (<i>Note 11</i>)	(438)	–	(1,646)	4,019	771	2,706
Deferred tax charged to reserves during the year	–	1,053	–	–	–	1,053
At 31 December 2024 and 1 January 2025	12,730	6,527	66,247	22,898	25,142	133,544
Deferred tax credited to profit or loss during the year (<i>Note 11</i>)	(888)	–	(29,606)	(6,154)	3,932	(32,716)
Deferred tax charged to reserves during the year	–	(6,399)	–	–	–	(6,399)
At 31 December 2025	11,842	128	36,641	16,744	29,074	94,429

The Group has tax losses arising in Mainland China of RMB1,499,096,000 (2024: RMB1,831,600,000) that will expire in one to five years for offsetting against future taxable profits for which deferred tax assets have not been recognised as they have arisen in subsidiaries that have been loss-making and it is not considered probable that taxable profits will be available against which they can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

21 DEFERRED TAX (CONTINUED)

(b) Deferred tax liabilities

	Fair value adjustment arising from financial assets at FVOCI <i>RMB'000</i>	Fair value adjustment arising from financial assets at FVPL <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	999	1,270	17,502	19,771
Deferred tax debited to profit or loss during the year (<i>Note 11</i>)	–	2,711	3,121	5,832
Deferred tax charged to reserves during the year	4,811	–	–	4,811
At 31 December 2024 and 1 January 2025	5,810	3,981	20,623	30,414
Deferred tax debited to profit or loss during the year (<i>Note 11</i>)	–	(920)	(5,851)	(6,771)
Deferred tax charged to reserves during the year	2,084	–	–	2,084
At 31 December 2025	7,894	3,061	14,772	25,727

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

21 DEFERRED TAX (CONTINUED)

(b) Deferred tax liabilities (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for reporting purposes:

	2025 RMB'000	2024 <i>RMB'000</i>
Gross deferred tax assets	94,429	133,544
Gross deferred tax liabilities	(15,191)	(23,869)
Net deferred tax assets	79,238	109,675
Gross deferred tax liabilities	25,727	30,414
Gross deferred tax assets	(15,191)	(23,869)
Net deferred tax liabilities	10,536	6,545

22 INVENTORIES

	2025 RMB'000	2024 <i>RMB'000</i>
Refined oil products	12,967	12,987
Sandstones	5,800	2,574
Agricultural products	80	4,202
Spare parts and construction materials	1,931	10,104
Total	20,778	29,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

23 TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
Trade receivables (a)	1,616,623	1,603,050
Loss allowance (a)	(119,046)	(45,197)
Trade receivables, net	1,497,577	1,557,853
Bills receivable	2,144	–
	1,499,721	1,557,853
Other receivables and prepayments		
Other receivables and prepayments (b)	1,049,960	957,257
Loss allowance (b)	(89,563)	(110,447)
	960,397	846,810
Total trade and other receivables	2,460,118	2,404,663
Less: Current portion	(1,317,086)	(1,135,504)
Non-current portion	1,143,032	1,269,159

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

23 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

The Group's trading terms of trade receivables arising from sales of products with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally twenty days, extending up to six months for major customers.

The Group's trade receivables which arose from construction contracts are settled in accordance with the terms specified in the contracts governing the relevant construction works. The Group does not have a standardised and universal credit period granted to its construction contract customers. The credit period of an individual construction contract customer is considered on a case-by-case basis and is set out in the respective construction contracts, as appropriate.

According to the contracts governing the relevant construction works, as at 31 December 2025, gross amount of trade receivables of RMB1,466,916,000 (31 December 2024: RMB1,073,479,000) are to be settled by instalments within two to thirteen years upon completion of the relevant construction works and bear contractual interest rates ranging from 4.75% to 8.5% (31 December 2024: 4.75% to 8.5%) per annum. The remaining trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date or billing date and net of loss allowance, is as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Within 3 months	161,675	316,967
3 to 6 months	17,605	37,100
6 to 12 months	34,833	3,326
Over 1 year	1,283,464	1,200,460
	1,497,577	1,557,853

The movement in the loss allowance for impairment of trade receivables is as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
At beginning of year	45,197	3,678
Provision of impairment losses (<i>Note 9</i>)	73,849	41,519
At end of year	119,046	45,197

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

23 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables and prepayments

The Group's other receivables and prepayments as at 31 December are analysed as follows:

	2025 RMB'000	2024 RMB'000
Other receivables:		
Toll income receivables	134,344	88,631
Deposits	36,029	40,929
Up-front payment of construction contracts	41,868	40,866
Investment receivables	–	11,825
Miscellaneous	204,650	170,272
Subtotal	416,891	352,523
Loss allowance	(89,332)	(110,447)
Other receivables, net	327,559	242,076
Prepayments:		
Deductible input value-added tax	478,178	466,681
Prepayments	154,891	138,053
Subtotal	633,069	604,734
Loss allowance	(231)	–
Prepayments, net	632,838	604,734
	960,397	846,810

The movement in the loss allowance for impairment of other receivables and prepayments is as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	110,447	134,406
Reversal of impairment losses (Note 9)	(20,884)	(23,959)
At end of year	89,563	110,447

The reversal of impairment losses was due to the receipt of other receivables for the year ended 31 December 2025 and 2024.

(c) Amounts due from related companies

	2025 RMB'000	2024 RMB'000
Fellow subsidiaries under control of Shudao Investment		
Other receivables	138,610	95,307
Prepayments	6,304	1,258
Trade receivables	728	715
	145,642	97,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

23 TRADE AND OTHER RECEIVABLES (CONTINUED)

23.1 Accounting policies of impairment of financial assets

The Group recognises an allowance for impairment losses for all debt instruments not held at fair value through profit or loss. Impairment losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(i) *General approach*

The receivables that are not credit-impaired on initial recognition are classified in 'stage 1' and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of the receivables has occurred since initial recognition, the financial asset is moved to 'stage 2' but is not yet deemed to be credit impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'stage 3' and the expected credit loss is measured as lifetime expected credit loss.

When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, including the nature and credit profile of the counterparty, the underlying causes of the overdue payment.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

(ii) *Simplified approach*

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for the trade receivables without financing component. To measure the expected credit losses, the Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the credit profile, aging, external credit ratings and industry classification of different customers, as well as forward-looking adjustment factors including GDP and PPI at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets		
Investment in private equity fund	41,180	44,862
Current assets		
Investments in listed equity	520	491

The investment in private equity fund is measured at fair value through profit or loss. The listed equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

25 CASH AND CASH EQUIVALENTS, RESTRICTED DEPOSITS AND TERM DEPOSITS WITH BANKS

(a) cash and cash equivalents

	2025 RMB'000	2024 <i>RMB'000</i>
Cash and cash equivalents	4,373,863	2,957,256

(b) restricted deposits

	2025 RMB'000	2024 <i>RMB'000</i>
Restricted deposits	12,741	972

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

25 CASH AND CASH EQUIVALENTS, RESTRICTED DEPOSITS AND TERM DEPOSITS WITH BANKS (CONTINUED)

(c) term deposits with banks

	2025 RMB'000	2024 RMB'000
Term deposits with banks		
– more than three months but less than one year	16,500	–
– more than one year	50,000	–
	66,500	–

Term deposits are made for original maturity dates of three months to three years and earn interest at the respective deposit rates. Except for term deposits, other bank balances earn interest at floating rates based on daily bank deposit rates. The bank balances and term deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

25 CASH AND CASH EQUIVALENTS, RESTRICTED DEPOSITS AND TERM DEPOSITS WITH BANKS (CONTINUED)

(c) term deposits with banks (Continued)

At the end of the reporting period, cash and cash equivalents, restricted deposits and term deposits with banks were denominated in the following currencies:

	2025 RMB'000	2024 <i>RMB'000</i>
RMB	4,453,098	2,958,219
Hong Kong Dollars	6	9
	4,453,104	2,958,228

26 CONTRACT LIABILITIES

	2025 RMB'000	2024 <i>RMB'000</i>
Advance received from customers		
Sale of goods	14,258	10,136
Charging services	–	1,096
	14,258	11,232

Contract liabilities include advances received to deliver goods and to provide charging services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

27 TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 <i>RMB'000</i>
Trade payables (a)	33,078	202,673
Other payables (b)	2,296,695	2,506,527
	<hr/>	<hr/>
Portion classified as current liabilities	2,329,773	2,709,200

- (a) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date or billing date, is as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Within 3 months	24,634	154,566
3 to 6 months	328	12,510
6 to 12 months	2,005	5,236
Over 1 year	6,111	30,361
	<hr/>	<hr/>
	33,078	202,673

The trade payables are non-interest-bearing and are normally settled within one to twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

27 TRADE AND OTHER PAYABLES (CONTINUED)

(b) Other payables at the end of the reporting period mainly include the following balances:

	2025	2024
	RMB'000	RMB'000
Progress billing payables (i)	1,278,935	1,541,112
Payroll and welfare payables	333,880	328,462
Retention payables and deposits (ii)	219,966	257,296
Taxes and surcharge payables	89,521	93,102
Provisions for unpaid other taxes (iii)	27,590	27,590
Advances	51,771	22,159
Others	295,032	236,806
	2,296,695	2,506,527

- (i) As at 31 December 2025, included in the progress billing payables, an amount of RMB736,603,000 (31 December 2024: RMB1,133,287,000) related to the construction of Suiguang-Suixi Expressways BOT Project, the Chengle Expressway Expansion Construction Project, Tianqiong Expressway BOT Project, Rongcheng Second Ring Construction Project, and the Chengya Expressway Expansion Construction Project.
- (ii) As at 31 December 2025, included in retention payables and deposits, an amount of RMB116,483,000 (31 December 2024: RMB117,489,000) related to the construction of Suiguang-Suixi Expressways BOT Project, the Chengle Expressway Expansion Construction Project, Tianqiong Expressway BOT Project, Rongcheng Second Ring Construction Project, and the Chengya Expressway Expansion Construction Project.
- (iii) The balance represented provision relating to unpaid value-added tax arising from the interest income generated from the loans to the controlling shareholder in prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

27 TRADE AND OTHER PAYABLES (CONTINUED)

- (c) Amounts due to related parties included in trade and other payables as at the end of the reporting period, which are on credit terms similar to those offered by independent major suppliers of the Group, are as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Fellow subsidiaries under control of Shudao Investment		
Advances	402	763
Trade payables	880	15,789
Other payables	842,499	1,026,542
	843,781	1,043,094
Road and Bridge International Co., Ltd ("Road and Bridge"), Minority investor of Sichuan Chengqiongya Expressway Company Limited		
Other payables	122,203	332,837
	965,984	1,375,931

Except for the performance guarantee deposits and retention payables which have a longer repayment term of approximately two years, other payables are non-interest-bearing and have an average term of three months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

28 DEFERRED INCOME

Deferred income as at the end of the reporting period mainly include the following items:

	2025 RMB'000	2024 RMB'000
Government grants for Suiguang Expressway and Suixi Expressway BOT Project	88,415	90,318
Various deferred compensation income received in advance	74,216	74,781
Subsidy funds for demolishing the provincial boundary toll station	40,588	51,780
Management fee received in advance for operation of a bridge	14,096	22,150
Subsidy fund for Puxing logistics centre project	29,478	16,489
Longquan gas station demolition subsidy	6,786	6,786
Leasing income received in advance	4,414	5,517
Others	3,996	3,077
	261,989	270,898

Deferred income of the Group to be released to profit or loss after twelve months from 31 December 2025 with a total amount of RMB261,989,000 (31 December 2024: RMB237,748,000) has been recorded as a non-current liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

29 INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025	2024
	RMB'000	RMB'000
Current:		
Bank loans:		
Secured and guaranteed (a, d)	62,500	22,500
Secured (a)	646,839	1,043,049
Unsecured	439,090	1,261,800
Medium-term notes (b)	100,000	–
Other borrowings, guaranteed (d)	50,323	172,556
Lease liabilities	23,609	24,038
Interest accrued (e)	61,786	66,575
	1,384,147	2,590,518
Non-Current		
Bank loans:		
Secured and guaranteed (a, d)	8,989,000	9,051,500
Secured (a)	19,356,229	18,821,476
Unsecured	8,054,120	5,720,750
Medium-term notes (b)	–	100,000
Corporate bonds (c)	2,000,000	2,000,000
Other borrowings, guaranteed (d)	–	50,564
Lease liabilities	68,081	90,917
	38,467,430	35,835,207
	39,851,577	38,425,725

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

29 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Analysed into:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans repayable:		
Within one year	1,148,429	2,327,349
In the second year	3,881,159	2,146,429
In the third to fifth years, inclusive	6,200,520	8,620,127
Beyond five years	26,317,670	22,827,170
	37,547,778	35,921,075
Medium-term notes repayable:		
Within one year	100,000	–
In the second year	–	100,000
	100,000	100,000
Corporate bonds repayable:		
In the second year	2,000,000	–
In the third to fifth years, inclusive	–	2,000,000
	2,000,000	2,000,000
Other borrowings and lease liabilities repayable:		
Within one year	73,932	196,594
In the second year	21,840	69,690
In the third to fifth years, inclusive	39,611	63,677
Beyond five years	6,630	8,114
	142,013	338,075
Interest accrued	61,786	66,575
	39,851,577	38,425,725

At the end of the reporting period, all interest-bearing bank and other borrowings of the Group were denominated in RMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

29 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

As at 31 December 2025, interest-bearing bank and other borrowings of RMB2,912,310,000 (31 December 2024: RMB3,776,750,000) are fixed rate.

As at 31 December 2025, the weighted average interest rate of bank loans and other borrowings is 2.83% (31 December 2024: 3.55%) per annum.

(a) Bank loans were secured by:

	2025 RMB'000	2024 RMB'000
Secured by concession rights of (Note 15):		
Chengle Expressway	7,757,820	7,569,720
Chengren Expressway	734,958	1,008,307
Tianqiong Expressway	5,821,290	5,476,498
Suiguang Expressway and Suixi Expressway	5,689,000	5,810,000
Second Ring (Western) Expressway	9,051,500	9,074,000
	29,054,568	28,938,525

(b) Medium-term notes

As at 31 December 2025, the Company had one (31 December 2024: one) tranches of outstanding medium-term notes totalling RMB100,000,000 (31 December 2024: RMB100,000,000) issued to domestic institutional investors participating in the PRC interbank debt market. The coupon rates for the medium-term notes is 2.07% (31 December 2024: 2.07%) per annum. The medium-term notes were issued at a par value of RMB100 per unit and will be repaid in May 2026 with an original maturity period of five years.

(c) Corporate bonds

As at 31 December 2025, the Company had corporate bonds of RMB2,000,000,000. The coupon rate for these corporate bonds is 2.30% per annum. These corporate bonds were issued at a par value of RMB100 per unit. These corporate bonds will be repaid in May 2029, with an original maturity period of five years with issuer's redeem option and investor's put back option in the end of the third year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

29 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(d) Bank loans were guaranteed by:

As at 31 December 2025, the bank loans of RMB9,051,500,000 (31 December 2024: RMB9,074,000,000) were guaranteed by Shudao Investment (Note 35).

As at 31 December 2025, the other borrowings of RMB50,323,000 (31 December 2024: RMB223,120,000) were guaranteed by Shudao Investment (Note 35).

(e) Interest accrued

The balance as at 31 December 2025 consisted of interest accrued in respect of medium-term notes, corporate bonds and interest-bearing bank and the other borrowings of RMB1,248,000, RMB28,239,000 and RMB32,299,000 (31 December 2024: RMB1,248,000, RMB28,239,000 and RMB37,088,000), respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

30 ISSUED CAPITAL

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
A Shares of 2,162,740,000 (2024: 2,162,740,000) of RMB1.00 each	2,162,740	2,162,740
H Shares of 895,320,000 (2024: 895,320,000) of RMB1.00 each	895,320	895,320
	3,058,060	3,058,060

The H Shares have been issued and listed on the main board of the Hong Kong Stock Exchange since October 1997 and the A Shares have been listed on the Shanghai Stock Exchange since July 2009.

All A and H Shares rank pari passu with each other in terms of dividend and voting rights.

31 RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

(a) Statutory surplus reserve

In accordance with the Company Law of the PRC and the respective articles of association of the Company, its subsidiaries, joint ventures and associates, the Company, its subsidiaries, joint ventures and associates are required to allocate 10% of their profits after tax, as determined in accordance with Generally Accepted Accounting Principles of the People's Republic of China ("PRC GAAP"), to the statutory surplus reserve (the "SSR") until this reserve reaches 50% of the registered capital of the Company, its subsidiaries and associates. Subject to certain restrictions set out in the Company Law of the PRC and the respective articles of association of the Company, its subsidiaries and associates, part of the SSR may be converted to increase the share capital of the Company, its subsidiaries and associates, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

31 RESERVES (CONTINUED)

(b) Merger difference

The merger difference of the Group is resulted from the preparation of the Group's consolidated financial statements. The merger differences consisted of: (a) the difference calculated by the consideration paid for the acquisition of Chengle Company netting off the nominal value of the paid-in capital of Chengle Company attributable to the then owners of Chengle Company, and (b) the difference calculated by the consideration paid for the acquisition of Rongcheng Second Ring Company netting off the nominal value of the paid-in capital and capital reserve of Rongcheng Second Ring Company attributable to the then owners of Rongcheng Second Ring Company.

(c) Safety fund reserve

Pursuant to the Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the PRC, the Group is required to establish the safety fund surplus reserve based on construction revenue and revenue of sales of refined oil recognised in previous years. The safety fund can only be transferred to retained profits to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

(d) Other equity instruments

As at 21 January 2025, the Company issued a perpetual instrument with an initial interest rate of 3.2% and the actual net proceeds was RMB1,200,000,000. The perpetual instrument has no fixed maturity date and the Company has an option to redeem at principal amounts plus any accrued interest in the end of the first 3 year and every year afterwards. The interest rate for the perpetual instrument is fixed in the first 3 years and will be repriced every year after that. The repriced interest rate is determined as the sum of the current base rate plus 300bp. The highest limitation of the interest rate is 6.2%.

As at 27 December 2024, as approved by the National Association of Financial Market Institutional Investors of China, the Company issued a perpetual medium-term note with an initial interest rate of 2.06%, namely 24 Chengdu-Chongqing Expressway MTN001. The actual net proceeds from the perpetual medium-term note was RMB999,900,000. The perpetual medium-term note has no fixed maturity dates and the Company has an option to redeem at principal amounts plus any accrued interest on the second interest payment date or any interest payment date afterwards. The interest rate for the perpetual medium-term note is fixed in the first 2 years and will be repriced every 2 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

31 RESERVES (CONTINUED)

(d) Other equity instruments (Continued)

As at 31 December 2024, the Company issued a perpetual instrument with an initial interest rate of 3.2% and the actual net proceeds was RMB1,000,000,000. The perpetual instrument has no fixed maturity dates and the Company has an option to redeem at principal amounts plus any accrued interest in the end of the first 3 year and every year afterwards. The interest rate for the perpetual instrument is fixed in the first 3 years and will be repriced every year after that. The repriced interest rate is determined as the sum of the current base rate plus 300bp. The highest limitation of the interest rate is 6.2%.

For above perpetual instrument issued, the Group has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the Group may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to dividend distributions to ordinary equity holders, reductions of registered capital and legally liquidation of the Group, which can be controlled by the Group. Accordingly, the Group classified as equity instruments and presented under equity in the Group's consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

32 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

Financial assets	2025	2024
	RMB'000	<i>RMB'000</i>
Financial assets at amortised cost		
Trade receivables	1,499,721	1,557,853
Other financial assets at amortised cost	395,253	529,399
Cash and cash equivalents	4,373,863	2,957,256
Term deposits with Banks	66,500	–
Restricted deposits	12,741	972
Financial assets at FVOCI	301,917	296,105
Financial assets at FVPL	41,700	45,353
	6,691,695	5,386,938
Financial liabilities	2025	2024
	RMB'000	<i>RMB'000</i>
Liabilities at amortised cost		
Trade and other payables*	2,329,773	2,709,200
Bank borrowings and other borrowings	39,759,887	38,310,770
Lease liabilities	91,690	114,955
	42,181,350	41,134,925

* Excluding non-financial liabilities.

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, The Group had non-cash additions to right-of-use assets and lease liabilities of RMB306,000 (2024: RMB18,424,000) and RMB306,000 (2024: RMB18,424,000), respectively, in respect of lease arrangements for office buildings.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2025

	Bank and other borrowings (including interest payable) RMB'000	Lease liabilities RMB'000	Dividends payables RMB'000
At 1 January 2025	38,310,770	114,955	315
Changes from financing cash flows	350,474	(28,429)	(954,713)
New leases (<i>Note 16</i>)	–	306	–
Interest expense	594,658	4,858	–
Interest capitalised (<i>Note 8</i>)	503,985	–	–
Foreign exchange movement	–	–	(926)
Dividends declared	–	–	955,324
At 31 December 2025	39,759,887	91,690	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (Continued)

Year ended 31 December 2024

	Bank and other borrowings (including interest payable) <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Dividends payables <i>RMB'000</i>
At 1 January 2024	37,729,940	122,798	–
Changes from financing cash flows	(817,965)	(32,104)	(790,345)
New leases (<i>Note 16</i>)	–	18,448	–
Interest expense	846,119	5,813	–
Interest capitalised (<i>Note 8</i>)	552,676	–	–
Foreign exchange movement	–	–	2,616
Dividends declared	–	–	788,044
At 31 December 2024	38,310,770	114,955	315

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within operating activities	2,654	3,452
Within financing activities	28,429	32,104
	31,083	35,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

34 COMMITMENTS

	2025	2024
	RMB'000	RMB'000
Contracted, but not provided for:		
Construction	441,253	500,483
Property, plant and equipment	6,600	34,314
Service concession arrangements	23,322,373	4,418,271
	23,770,226	4,953,068

35 RELATED PARTY TRANSACTIONS

(a) Parent entities

The Group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest	
			2025	2024
Shudao Investment	Controlling Shareholder	China	39.86%	39.86%

(b) Subsidiaries

Interests in subsidiaries are set out in Note 1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with other related parties

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

- (i) For the year ended 31 December 2025, the aggregate service fee payable to Sichuan Zhineng Transportation System Management Company Limited, a fellow subsidiary under control of Shudao Investment, in relation to the provision of a computer system of the highway toll fee collection networks and the supportive technological services to the Group amounted to RMB14,420,000 (2024: RMB19,241,000). The fee was determined based on a service charge of 0.4% of toll income or RMB35,000,000 per annum, whichever is lower.
- (ii) For the year ended 31 December 2025, fellow subsidiaries under control of Shudao Investment were engaged by the Group to provide property management services. Property management services costs recognised by the Group for such services during the year aggregated RMB36,736,000 (2024: RMB25,045,000). The directors consider that the amount paid for the property management services from related companies were determined based on prices similarly available to the related party's third-party customers.
- (iii) For the year ended 31 December 2025, fellow subsidiaries under control of Shudao Investment were engaged by the Group to provide construction and maintenance works. The prices of such works are usually determined through public tender and bidding process. Construction and maintenance costs recognised by the Group for such services aggregated RMB1,450,352,000 (2024: RMB1,311,538,000).
- (iv) For the year ended 31 December 2025, Road and Bridge provided construction service for Tianqiong Expressway BOT Project. Construction cost was recognised by the Group for such services during the Period aggregated RMB23,850,000 (2024: RMB1,115,942,000). The directors consider that the amount paid for the construction services from related companies were determined based on prices similarly available to the related party's third-party customers.
- (v) For the year ended 31 December 2025, the Group purchased refined oil products amounting to approximately RMB931,331,000 (2024: RMB1,396,172,000) from Sichuan sales branches of PetroChina Company Limited, a non-controlling shareholder of a subsidiary within the Group. The prices were determined by adding transportation fee to the selling price of the refined oil by reference to market price.
- (vi) For the year ended 31 December 2025, the Group purchased refined oil products amounting to approximately RMB381,204,000 (2024: RMB327,394,000) from a subsidiary of Sinochem Oil Sales Company Limited, the holding company of a non-controlling shareholder of a subsidiary within the Group. The prices were determined by market wholesale price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with other related parties (Continued)

- (vii) For the year ended 31 December 2025, Sichuan Transportation Construction Group Co., Ltd provided construction service for Chengya Expressway Expansion Project. Construction cost was recognised by the Group for such services during the Period aggregated RMB17,386,000. The directors consider that the amount paid for the construction services from related companies were determined based on prices similarly available to the related party's third-party customers.

(d) Guarantee by related parties

- (i) As at 31 December 2025, the bank loans of RMB9,051,500,000 (31 December 2024: RMB9,074,000,000) were guaranteed by Shudao Investment (Note 29).
- (ii) As at 31 December 2025, the other borrowings of RMB50,323,000 (31 December 2024: RMB223,120,000) were guaranteed by Shudao Investment (Note 29).

(e) Key management personnel compensation

	2025 RMB'000	2024 <i>RMB'000</i>
Fees	320	320
Other emoluments:		
Salaries, allowances, and benefits in kind	4,875	4,671
Pension scheme contributions	275	300
Supplementary pension scheme contributions	324	381
	5,474	5,352

Further details of directors' emoluments are included in Note 10 to the financial statements.

These transactions were carried out in accordance with the terms of agreements governing such transactions.

The related party transactions in respect of Note 35(c) (i), (ii), (iii), (v) and (vii) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

36 CONTINGENT LIABILITIES

At 31 December 2025, the Group did not have any material contingent liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES

37.1 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

37.1 Principles of consolidation and equity accounting (Continued)

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

(v) Changes in ownership interests

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

37.2 Investment and other financial assets

(a) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

37.2 Investment and other financial assets (Continued)

(c) Measurement (Continued)

- Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.
- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss and other comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss and other comprehensive income as applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

37.2 Investment and other financial assets (Continued)

(d) Impairment

The Group assesses on a forward-looking basis the ECLs associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk, see Note 23 for further details.

37.3 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables and loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank and other borrowings.

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Finance costs" in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

37.3 Financial liabilities (Continued)

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

37.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

37.5 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

37.6 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

37.7 Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

37.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

37.9 Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

37.10 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of asset and released to profit or loss by way of a reduced depreciation charge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

37 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

37.11 Employee benefits

Defined contribution pension scheme

In accordance with the state regulations of the PRC, the Group participates in a defined contribution pension scheme. All retired employees are entitled to an annual pension equivalent to a fixed proportion of the average basic salary amount within the geographical area of their last employment at their retirement date. During the year, the Group was required to make contributions to a local social security bureau at a rate of 16% of the employees' salaries or wages of the current year, up to an amount equivalent to three times the employees' average salaries of the prior year within the geographical area where the employees are employed. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Supplementary defined contribution pension scheme

In addition, on 1 January 2007, a supplementary defined contribution pension scheme managed by an independent financial institution was established. Under the plan, the Group makes a monthly defined contribution to certain qualified employees at certain rates of the qualified employees' salaries or wages of the prior year. There were no vested benefits attributable to past service upon the adoption of the plan. The contributions under the supplementary defined contribution pension scheme are charged to profit or loss as incurred.

Housing fund

According to the relevant rules and regulations of the Sichuan Province, the Group and its employees are each required to make contributions, which are in proportion to the employees' salaries or wages of the prior year, to a housing fund. Contributions to a housing fund administered by the Public Accumulation Funds Administration Centre are charged to profit or loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

38 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		318,160	299,971
Service concession arrangements		6,491,588	7,074,037
Right-of-use assets		96,193	127,576
Investments in subsidiaries		21,512,493	15,292,493
Investments in joint ventures and associates		64,409	64,409
Financial assets at fair value through other comprehensive income		38,919	42,841
Deferred tax assets		26,491	28,616
Term Deposits with Banks		50,000	–
Restricted deposits		91	91
Total non-current assets		28,598,344	22,930,034
Current assets			
Inventories		197	197
Trade and other receivables		103,467	64,573
Due from subsidiaries		8,890,645	10,139,979
Term Deposits with Banks		16,500	–
Cash and cash equivalents		1,478,104	2,199,665
Total current assets		10,488,913	12,404,414
Current liabilities			
Tax payable		31,619	43,625
Trade and other payables		755,182	632,894
Interest-bearing bank and other borrowings		847,199	1,570,122
Dividend payable		–	315
Due to subsidiaries		2,953,656	2,289,896
Total current liabilities		4,587,656	4,536,852
Net current assets		5,901,257	7,867,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

38 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Total assets less current liabilities		34,499,601	30,797,596
Non-current liabilities			
Interest-bearing bank and other borrowings		10,544,225	8,593,176
Deferred income		39,159	50,393
Total non-current liabilities		10,583,384	8,643,569
Net assets		23,916,217	22,154,027
Equity			
Issued capital		3,058,060	3,058,060
Reserves	(a)	20,858,157	19,095,967
Total equity		23,916,217	22,154,027

Luo Zuyi
Director

You Zhiming
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

38 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) A summary of the Company's reserves is as follows:

	Share premium account	Surplus reserve	Other equity instruments	Retained profits	Fair value reserve of equity investments designated at fair value through other comprehensive income	Difference arising from the acquisition of non- controlling interests	Total
Balance at 1 January 2024	2,654,601	6,506,059	-	7,411,141	(15,691)	(244,529)	16,311,581
Profit for the year	-	-	-	1,509,452	-	-	1,509,452
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	9,283	-	9,283
Total comprehensive income for the year	-	-	-	1,509,452	9,283	-	1,518,735
Transfer to/(from) reserves	-	151,295	-	(151,295)	-	-	-
Equity entitled to holders of other equity instruments	-	-	315	(315)	-	-	-
Issue of perpetual bonds	-	-	1,999,900	-	-	-	1,999,900
Dividends declared to shareholders	-	-	-	(734,249)	-	-	(734,249)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

38 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) A summary of the Company's reserves is as follows: (Continued)

	Share premium account	Surplus reserve	Other equity instruments	Retained profits	Fair value reserve of equity investments designated at fair value through other comprehensive income	Difference arising from the acquisition of non- controlling interests	Total
At 31 December 2024 and 1 January 2025	2,654,601	6,657,354	2,000,215	8,034,734	(6,408)	(244,529)	19,095,967
Profit for the year	-	-	-	1,544,133	-	-	1,544,133
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(7,727)	-	(7,727)
Total comprehensive income for the year	-	-	-	1,544,133	(7,727)	-	1,536,406
Transfer to/(from) reserves	-	154,350	-	(154,350)	-	-	-
Disposal of equity investments at fair value through other comprehensive income	-	-	-	(24,894)	24,894	-	-
Cumulative dividends to holders of other equity instruments	-	-	89,844	(89,529)	-	-	315
Dividends declared to holders of other equity instruments	-	-	(87,693)	-	-	-	(87,693)
Issue of perpetual bonds	-	-	1,200,000	-	-	-	1,200,000
Dividends declared to shareholders	-	-	-	(886,838)	-	-	(886,838)
Balance at 31 December 2025	2,654,601	6,811,704	3,202,366	8,423,256	10,759	(244,529)	20,858,157

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

39 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 30 January 2026, the first extraordinary general meeting of shareholders for 2026 of the Company approved the proposal on the acquisition of 85% equity interest in Hubei Jingyi Expressway Co., Ltd. ("Jingyi Company") by a wholly-owned subsidiary of the Company, Sichuan Shunan Investment Management Company Limited ("Shunan Company") from Shudao (Sichuan) Innovation Investment Development Co., Ltd. with a consideration of RMB2,409,421,200. The proposed acquisition will constitute a related party transaction.

As of 2 March 2026, the acquisition transaction has been completed. After the completion of the transaction, Jingyi Company has become a controlled subsidiary of Shunan Company.

40 APPROVAL OF THE FINANCIAL INFORMATION

The financial statements were approved and authorised for issue by the Board on 30 March 2026.